FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,194 — Thursday March 26 1987 — هكذا من الأصل — D 8523 B

Airbus on a wing and a prayer for cash, Page 22

World news | Business summary

Libyans prepare to quit Chad base

Libyan troops appeared to be preparing to leave their last major position in northern Chad following the loss of their Ouadi Doum air base on Sunday, French defence sources said.

The Libyan garrison at Faya Largeau, 500 miles north of N'Djamena, was believed to be blowing up stocks of fuel and ammunition before evacuating without a fight. The French Defence Ministry said: "They are deprived of air cover and supplies, and their morale must be zero." Page 3

Afghan air raid

Afghan Government aircraft bombed a camp near the Iranian and Pakistani borders, killing as many as 80 people, most of them anti-communist guerrillas.

N-forces would go

Britain and France would eventually have to give up their independent nuclear forces if the superpowers succeeded in reaching comprehensive arms accords in the European theatre, Soviet General Yuri Lebedev said in Moscow.

Spanish censure call

Prime Minister Felipe Gonzalez of Spain faces a crisis today when the conservative opposition initiates a parliamentary censure motion.

Children seized

A man and a woman armed with rifles and hand grenades stormed a primary school in San Salvador, taking 1,000 children hostage. The two are demanding safe passage to Nicaragua, according to a teacher.

Liberia shuffle

President Samuel Doe demoted Finance Minister Robert Tubman in a cabinet reshuffle affecting key economic posts only weeks after the US appointed experts to help bankrupt Liberia overhaul its financial system.

Chile demo halted

Chilean police used water cannon and tear gas to disperse anti-government protesters in Santiago and arrested several people including union leader Rodolfo Seguel. Exiled minister returns, Page 4

East briefs West

The first West German officers to operate on East German territory were briefed by Soviet and East German military on joint manoeuvres to which they had been invited.

Elections 'illegal'

Nationalist guerrillas fighting Indonesian rule in East Timor said elections planned by Jakarta next month in the former Portuguese colony were illegal and irrelevant – and pledged to continue their war.

AIDS funds tripled

Switzerland, which has Europe's highest rate of reported AIDS cases, announced plans to triple funds to SFr 11.8m ($7.8m) this year to fight the disease.

Athens church clash

First fights erupted in Athens between supporters of the Greek Orthodox Church and police as bishops held a service protesting against government plans to take over church lands.

Fashionable theft

Thieves in Milan stole Italian couturier Krizia's entire 1987–88 autumn/winter collection of 1,600 garments worth about L800m ($615,000). In Rosario, Argentina, thieves stole paintings by Goya, El Greco and others, worth more than $10m, from a museum.

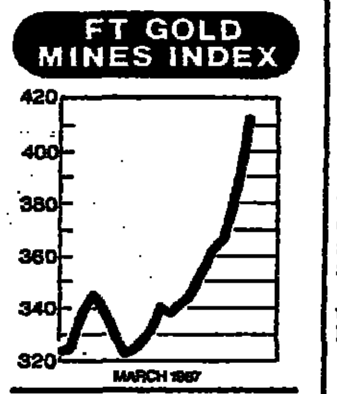
Manila debt plan rejected by banks

BANKERS renegotiating the Philippines' commercial debt in New York appear to have rejected a novel plan to convert some interest payments into equity which Mr Jaime Ongpin, Finance Secretary, proposed in an effort to break the deadlock in the current talks. Page 24

BELGIAN Finance Ministry said new rules planned on insider trading would make offenders liable to fines and imprisonment for up to a year and compel them to forfeit gains.

WALL STREET: The Dow Jones industrial average closed 5.89 at 2,363.49. Page 48

TOKYO: Late rallies in stocks related to AIDS and public works spending managed to lift the market. The Nikkei average added 37.67 to 21,472.97. Page 48



GOLD rose $5.00 to $413.75 on the London bullion market. It also rose in Zurich to $413.95 ($409.30). Page 36

LONDON securities markets weakened as a dip in the value of sterling pulled down the level of foreign buying. The FT-SE 100 index closed 13.3 down at 2,042.5 and the FT Ordinary index was 2.2 off at 1,623.0. Gilts eased. Details, Page 44

DOLLAR closed in New York at DM 1.8325; SFr 1.5290; FFr 6.0965; and Y149.35. It fell in London to Y149.10 (Y149.25); but rose to DM 1.8265 (DM 1.8215); to FFr 6.0750 (FFr 6.0650); to SFr 1.5240 (SFr 1.5220). On Bank of England figures the dollar's index rose 0.1 to 102.5. Page 37

STERLING closed in New York at $1.6000. It fell in London to $1.6070 ($1.6115); and to FFr 9.7625 (FFr 9.7725); to SFr 2.4500 (SFr 2.4525); and to Y239.50 (Y240.50); but remained unchanged at DM 2.9350. The pound's exchange rate index fell 0.1 to 72.1. Page 37

PERNOD-RICARD, big French drinks group famous for its aniseed-based spirits, expects to report a strong rise in profits when it unveils its 1986 results next month. Page 25

DART GROUP, which is controlled by the wealthy Haft family, has sweetened its offer to $1.8bn for Supermarkets General, the US retailer whose Pathmark stores are concentrated in the New York, Philadelphia and Boston areas. Page 25

LINOTYPE, West German printing technology group, is being bought by Commerzbank from Allied Signal of the US, prior to being floated on the West German stock exchange later this year. Page 25

BP FRANCE, French subsidiary of British Petroleum, reported a loss of FFr 706m ($116m) last year compared with FFr 826m loss in 1985. Page 26

BERLINER-BANK, city-owned bank in the midst of privatisation, has suffered bad loans of some DM 25m to DM 30m ($14m to $16m). The bank said the head of its Stuttgart branch and the loan department manager had overstepped the branch's loan limit. Page 26

BANK SARASIN, Basle bank with roots going back to the mid-nineteenth century, is planning to raise SFr 60m ($39.4m) through an initial public share offering as part of a wider corporate restructuring. Page 48

Banks intervene to support $ and keep Paris accord alive

BY JANET BUSH IN LONDON AND IAN RODGER IN TOKYO

CENTRAL banks yesterday reinforced their co-ordinated effort to keep alive the Paris accord on stabilising currencies and intervened for the second day running to support the dollar.

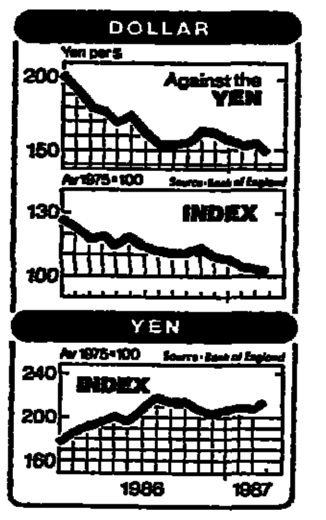
The battle of will between the banks and the foreign exchange markets, which have for the first time since the Paris talks late last month tested the muscle behind the commitments made, has so far centred on the dollar and the Japanese yen.

The Bank of Japan has been by far the most aggressive buyer of dollars, purchasing an estimated $700m yesterday and more than $1.5bn on Tuesday.

Japan's deep concern about the yen's rise against the dollar was also reflected in the move yesterday by its Ministry of International Trade and Industry which asked leading trading and export oriented companies to moderate their sales of dollars.

In a series of telephone calls, the ministry asked companies to avoid placing forward dollar sell orders in the hope that this would lead traders to purchase dollars. It made similar pleas last time the yen surged in early January.

This week's renewed pressure on the dollar can be partly explained by the repatriation of foreign profits by Japanese companies for the end of the fiscal year which has caused upward pressure on the yen.



Other central banks from the nations which signed the Paris accord in late February on stabilising currencies have shared the burden of propping up the dollar, apparently in turn, but the amounts involved are believed to be quite modest.

The pattern of intervention, in which different central banks seem to have been active on different days, suggest that the Group of Five industrial nations and Canada are primarily concerned with sending a convincing signal to markets that they stand unanimously behind the Paris accord.

The modest size of dollar purchases by every bank so far involved except for the Bank of Japan does not suggest an out-and-out attack on market speculation. It is not clear whether the central banks of France and Canada have been involved.

Yesterday the Bank of Japan was joined by the Bundesbank in supporting the dollar against the yen. The West German central bank is estimated to have bought perhaps $250m, a token amount by the standards of past intervention.

The Bank of England is believed to have bought dollars against the yen on Tuesday but not yesterday as the Bundesbank took over the running.

On both days, the Bank has bought dollars and sold pounds, although yesterday's operation appeared to be more routine

It is not clear whether the US Federal Reserve bought dollars yesterday after its declared purchases on Tuesday.

Editoral comment, Page 22; money markets, Page 37

Elections likely in Italy after Andreotti failure

BY JOHN WYLES IN ROME

ITALIAN voters look likely to be called to early general elections at the end of May after a decision last night by the veteran Christian Democrat leader Mr Giulio Andreotti to abandon his 16-day attempt to form a Government.

Despite some characteristically subtle manoeuvring to maintain the five-party coalition, formerly led by Mr Bettino Craxi, the Socialist party leader, Mr Andreotti's efforts were finally blocked by the ceaseless and bitter rivalry between the Socialists and the Christian Democrats, Italy's largest party.

After hearing Mr Andreotti's renunciation of his mandate – his second failure in eight months to form an alternative to a Craxi-led Government, President Francesco Cossiga immediately began preparing for another round of consultations with party leaders this afternoon.

He looks likely to draw the conclusion that a stable majority government cannot be formed before elections, which are not constitutionally required until June 1988.

If he does accept the need for elections, the President faces a particularly tough decision over who should lead an interim administration for the period of the election campaign.

The traditional political assumption in Italy is that whoever holds the premiership starts with an electoral advantage. The Christian Democrats therefore will insist that Mr Craxi, who is now a caretaker Prime Minister make way for a more "institutional" figure, such as the President of the Senate or of the Candra, the lower house of parliament.

Mr Andreotti's bid to form a Government finally collapsed on the deep divide between the Socialists and the Christian Democrats over whether a referendum on nuclear energy should go ahead as scheduled in June. Supported by the Social Democrats and non-government parties to the left, including the Radicals, Communists and "greens," the Socialist party insisted on "the people's right to decide."

The Christian Democrats, by contrast, supported by the Republicans, wanted the next government to agree on legislation which would make the referendum unnecessary.

US court charges three with $1bn tax fraud

By David Owen in New York

A US federal grand jury yesterday charged three promoters of tax shelters – financial arrangements designed to shield income from tax – with operating a huge tax fraud scheme involving $1bn in fraudulent expenses.

According to the grand jury the scheme generated more than $500m in false tax losses for prominent businessmen, including Mr Laurence Tisch, president of CBS, the US network television group, and his brother, Mr Preston Tisch, who is President Ronald Reagan's postmaster general.

An indictment handed up in Manhattan Federal Court said that the promoters Mr Charles Atkins, known as the "boy wonder" of tax shelter plans in the late 1970s, Mr William Hack and Mr Ernest Grunebaum arranged a series of "rigged and fraudulent" government securities transactions.

Also among the other limited partners said to have benefited from the tax shelter schemes were Mr Michel David-Weill, head of Lazard Freres & Co, the artist, Mr Andy Warhol, actors Lorne Greene, Michael Landon and Sidney Poitier and producer Norman Lear.

The indictment alleges that Mr David-Weill reported $4.4m in "fraudulent and false" net losses and expenses in connection with one of the tax shelters and that Mr Laurence Tisch reported $1.1m in such losses.

None of the limited partners in the shelters was charged in the indictment and none of those named had any immediate comment.

According to the indictment, between 1978 and 1983 the defendants conspired to defraud the US Government by arranging rigged and fraudulent transaction in government securities and false tax deductions based on phoney trading losses and interest expenses.

The defendants were alleged to have sold more than $200m in phoney trading losses and interest expenses to other entities and individuals to be used as tax deductions, it said.

The indictment said more than $1.3bn in trading losses and interest expenses was generated by the scheme and was partially offset by fictitious gains.

According to the indictment, the defendants, using a number of shell corporations they controlled, arranged for bogus stock transactions which resulted in the creation of false documents certifying the tax losses.

None of the clients was charged with criminal acts.

Symbol of conflict: Hu Yaobang, former Chinese Communist party leader, being greeted yesterday by fellow Politburo member Yu Qiuli at the National People's Congress.

Zhao's cautious speech reflects internal conflict

BY ROBERT THOMSON IN PEKING

ZHAO ZIYANG, the Chinese premier, yesterday gave assurances that the country would push ahead with wide-ranging economic reforms, but his annual "State of the Nation" address was laced with compromises that reflect the continuing conflict in the Chinese leadership.

A symbol of that conflict, Hu Yaobang, the deposed Communist Party general secretary, returned to public life yesterday at the opening of the National People's Congress, and sat behind Zhao as he delivered a speech that kept significant economic reforms on the political agenda, yet failed to provide a timetable for their introduction.

A patently nervous Hu, in his customary Western suit, heard Zhao Ziyang, who is also acting party chief, tell almost 3,000 NPC delegates that until recently political leadership had been "weak and lax", which was an obvious reference to the quality of Hu's performance.

Zhao was also frank about China's economic problems, revealing that the state suffered an embarrassing budget deficit last year, although he did not reveal its size. He did not dwell on the problems, and suggested that China had a "magic weapon" to combat them: "increase production, practise economy, raise revenue and reduce spending."

Compromises were evident in his emphasis on the need to curb demand and his talk of the need for a "pioneering spirit," which was an uncharacteristic reference to the calls by older and more orthodox Marxist leaders for a return to the ideological purity of the 1950s.

Zhao confirmed that the party would tackle the sensitive political issue of giving more power to factory managers, and, by implication, limiting the power of Communist Party officials in factories. He said that factory managers should assume "full responsibility" for running the enterprise, but did not outline how the state would guarantee their power.

The speech revealed the depth of public concern about rising prices, which has delayed plans for the sweeping removal of state subsidies. He said price reforms would be confined to a "very small number of products" this year, adding: "Price increases during the reform will inevitably give rise to the question of whether the state, enterprises and people can withstand the economic and psychological strain."

Political strain is also an obvious problem. Zhao attempted to take both the middle ground and the high moral ground by attacking some reformers for not being "sober-minded' and ideologues for not being "mentally emancipated." He also urged the ideologues to be encouraged by "the obvious achievements of our reforms." and, in so doing, admitted the presence of factions in the leadership.

On the one hand, Zhao attempted to bring the drive against Western influence and "bourgeois liberals" to a close, yet he also spoke occasionally of the need to ensure that bourgeois liberal trends did not emerge.

After he made each group of points, Zhao was politely applauded by the assembly, including Hu Yaobang. During the speech, television cameras repeatedly focused on Hu, apparently to show ordinary Chinese the "political stability and unity" they read about every day in the Chinese press.

However, Zhao's address failed to bridge the ideology gap which has appeared in recent years and which partly contributed to the fall of Hu.

Brussels orders Usinor-Sacilor to repay FFr 3.15bn state aid

BY QUENTIN PEEL IN BRUSSELS

THE European Commission has ordered Usinor-Sacilor, France's leading steel producer, to repay almost FFr 3.15bn ($519m) in illegal state aids to the French Treasury, the largest single repayment ever required by Brussels.

The action is an important move to reinforce the Commision's new tough attitude on repayment of state subsidies which fall foul of EEC competition rules and have not been notified in advance.

The money is part of more than FFr 6bn paid by the former Socialist Government in France to the two steel groups (which have since merged) between 1982 and 1985 and spread between 33 different subsidiaries. None of the aid was notified to Brussels as it should have been.

An exhaustive inquiry launched in December 1984 concluded that slightly more than half the total aid was illegal although the balance was acceptable. The demand for repayment was approved at the weekly European Commission meeting, being held in Rome to commemorate the 30th anniversary of the Treaty of Rome.

Two reasons were given for the Commission decision: that the money was paid to subsidiaries' of the steel groups which could not have survived without it, but which were unable to cut capacity or otherwise rationalise production to offset the distortion to competition; and that Sacilor and Usinor themselves used public funds to acquire shareholdings in non-steel companies, without restructuring or rationalising their production.

Commission officials say the money was used to finance a series of investments, to undertake financial restructuring and to cover the losses of the steel holding companies in a wide range of activities, falling outside the scope of the European Coal and Steel Community Treaty.

State subsidies for major steel producers have been allowed by Brussels under the so-called Davignon plan for restructuring the EEC steel industry – but only in return for reduction in excess steelmaking capacity.

The action amounts to the second major case against French subsidies in recent months. In December, the Commission decided that up to FFr 1bn in cash grants and subsidised loans to the textile group Boussac had broken competition rules and had not been notified.

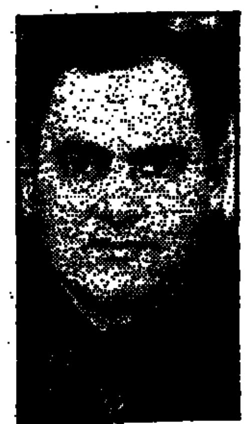
The Commission also decided this week to allow substantial further Spanish government aid to its steel industry – in return for further capacity cuts.

Spain is already supposed to be cutting 3.2m tonnes capacity under its accession treaty in joining the Community and has now been given the go ahead to pay Pta 283bn in additional aid, in exchange for further cuts of 950,000 tonnes.

The subsidies are destined for the steel groups Ensidesa, Altos Hornos de Viscaya, Reinosa, and five companies in the Acenor group.

CONTENTS

Europe	2	Commercial Law	11
Companies	25, 26	Commodities	36
America	4	Crossword	38
Companies	25, 26	Currencies	37
Overseas	3	Editorial comment	22
Companies	29	Eurobonds	28
World Trade	4	Euro-options	38
Britain	5–9	Financial Futures	37
Companies	30–35	Gold	36
		Intl. Capital Markets	28
		Letters	23
		Lex	24
		Lombard	23
		Management	10
		Market Monitors	48
		Men and Matters	22
		Money Markets	37
		Raw Materials	36
		Stock markets – Bourses	46, 48
		– Wall Street	45–48
Agriculture	36	– London	41–44, 48
Appointments	11	– World Index	38
Appointments advertising	13–20	Technology	12
Arts – Reviews	21	Unit Trusts	38–41
World Guide	21	Weather	24



TAXING TIMES AHEAD FOR GANDHI

Regional elections have proved a personal setback for India's Prime Minister, Page 24

West Germany: last Jewish exit from the Palatinate ... 2

Egypt: Arab investors put the past behind them ... 4

Management: British Rail's design connection ... 10

Technology: Unilever's product development ... 12

Editorial comment: Paris group power games; a warning from King Fahd ... 22

UK economy: the right way to tax houses ... 23

Lex: Tricentrol; BICC; Bats; Babcock 24

Australia: meteoric growth of Elders Resources ... 29

EUROPEAN NEWS

Lofty Rome Treaty tributes brought down to earth

BY JOHN WYLES IN ROME

CELEBRATIONS of historic turning points are rarely ever historic turning points themselves. But yesterday, in the beautiful Sala di Orazi and Curiazi of Rome's Campidoglio, in the midst of a distinguished gathering which had sat attentively through two-thirds of its quota of speeches celebrating the 30th anniversary of the signing of the Treaty of Rome, someone audibly uttered the word "blah."

Since the British members of the European Parliament who were present were far too polite to utter such a verbal raspberry, the conclusion must be that this critical verdict on the contributions of Mr Jacques Delors, the European Commission president, of Mr Leo Tindemans, the Belgian Foreign Minister and current president of the Council of Ministers, and of Britain's Sir Henry Plumb, now the European Parliament president, must have been a continental.

If so, the "blah" could represent a major cultural change in the European appetite for discourses on "Europe's destiny" and the need for "this great Community of ours to move steadfastly towards political union."

Some suspicion as to the perpetrator of this monosyllabic blasphemy fell afterwards on Mr Marco Pannella, a former MEP, leader of Italy's Radical Party and one of Europe's maestros of political theatre. In fact, the craggy Mr Pannella's subsequent verdict on the ceremony which took place at the same time and in the same room that the treaty was signed 30 years ago to the day was: "Blah, blah, blah."

But the irony coating this historical footnote was that the cognoscenti could easily detect a marked decline in the larding of Eurorhetoric — a fact which really did make the occasion something of a turning point.

Mr Delors specifically rejected the political option of "cutting an attractive figure and not actually doing anything, or going in for speechmaking and point-scoring in the Europe of words."

He made the ritual reference to the "grand design" but rather than lament its betrayal —a familiar characteristic of Eurorhetoric — he spoke positively of the Community's "new lease of life" injected by the adoption of the Single European Act, the amendment to the Treaty of Rome which promises speedier decision-making and, perhaps, better policies.

Mr Tindemans, too, focused on the tasks in hand: sorting out the Community's finances; reforming its agricultural policy; and strengthening its cohesion.

Unfortunately, Sir Henry Plumb failed to acknowledge that a reformation may be under way. Wishing to allay 30 years of suspicion about Britain's commitment to the European idea, the florid former farmer opened his shoulders and delivered an old-fashioned Eurospeech.

We were witnessing, he said, "the emergence of a new nationality" and he hoped that the new millenium which was approaching fast would be "the dawn of a new Europe, united at last, and a master of its own destiny." He sat down to polite applause.

MR EDWARD HEATH, who as Prime Minister took Britain into the EEC, yesterday called it "the biggest historic act for centuries," writes Robert Mauthner.

He and other British European "trail blazers," as Mrs Lynda Chalker, junior Foreign Office Minister, called them, was attending the 30th anniversary of the signature of the Treaty of Rome at the EEC Commission's office in London.

Referring to Britain's long-delayed entry into the Community, Mr Heath said: "You can be late over the starting line and still win." He felt encouraged by the renewed emphasis on foreign and defence policies in the EEC. "Once again the Community is on the move and we must keep that going."

While paying a warm tribute to Mr Heath for taking Britain into the EEC, Mr Roy Jenkins, the former Commission president said "the massive mistake" made by Britain of not being there at the beginning "has left an indelible mark on Europe and the world."

Britain had still not completely learnt the lesson of its past mistakes, as its hesitations about joining the European Monetary System showed. "You can't abstract monetary affairs from the central activities of the Community," Mr Jenkins said. He emphasised that, in contrast with the British Government's attitude, Mr Felipe Gonzalez, the Spanish Prime Minister, had said he would take Spain into the EMS within two years of joining.

Mrs Chalker said there was now a new generation for whom the Community was a part of everyday life. But people should not forget that the map of Europe had often been redrawn by wars. "Thirty years ago the face of Europe was transformed by a Treaty. We should never take it for granted."

ECUS FOR ALL: An enthusiastic European Federalist holds aloft a giant model of the recently minted Belgian Ecu coin outside the European Commission building in Brussels yesterday. He was due to present it to the Belgian Prime Minister to promote day-to-day use of the Ecu for all EEC citizens.

W Germans assail their EEC Commissioners

BY PETER BRUCE IN BONN

WEST GERMANY's two EEC Commissioners are coming under fierce political attack at home for allegedly failing to defend the country's interests in Brussels.

The two men, Mr Alois Pfeiffer and Mr Karl-Heinz Narjes, respectively Commissioners for economic policy and industry, drew a bitter aside here yesterday from Mr Ignaz Kiechle, the Agriculture Minister, who said he was "not satisfied" with their work.

On Tuesday, an extraordinary meeting of the powerful West German Farmers Association attended by Mr Kiechle and Mr Gerhard Stoltenberg, the Finance Minister, called on them to resign. EEC Commissioners are not supposed to represent their national governments.

Yesterday, Mr Kiechle, who has criticised the two men before, declined to support that view openly but left little doubt that he thought the Government would replace them when their term in office expires at the end of next year.

Mr Kiechee said he was disappointed with the defence put up by the Commissioners on behalf of the country's recently vanquished beer purity laws. Mainly, though, the two men are bearing the brunt of West German anger at recent Commission proposals for cutting surplus farm output.

The plans centre on modifying the system of monetary compensation for currency differences when farm products are exported in a way that would mean lower prices for West German farmers.

Those farmers are demonstrating throughout the country almost daily, insisting that their livelihoods are in danger and complaining that their incomes are falling. A huge protest is due to take place in Bonn on April 1.

Both Mr Kiechle and Mr Stoltenberg (who have agricultural constituencies) denounced the Commission's plans on Tuesday and called for greater "regionalisation" of farm policy.

This means allowing national governments more say over farm policy within their own borders, and the increasing use of the idea in political speeches here is a sign of the degree of Bonn's concern at farmer discontent with the Common Agricultural Policy.

Farmers make up about 10 per cent of the West German electorate and traditionally vote for conservative parties. Should they desert Chancellor Helmut Kohl's party, or simply abstain, in crucial state elections this year, he could lose his majority in the upper house of Parliament.

Hungary accuses Romania on pollution

By Leslie Colitt in Berlin

THE HUNGARIAN Government's dispute with Romania took a new turn yesterday when it accused Bucharest of permitting alarming levels of pollution to flow down the Sebes-Keoroes river into Hungarian territory.

Budapest said towns had been warned to stop drawing water after samples taken from the river showed it was severely polluted by phenol, amonia and phosphates. At the border, the water was said to be dark red with a thick layer of foam on the surface.

According to the Hungarian reports, the Romanian authorities refused requests for a joint investigation because the degree of pollution was not unusual.

The pollution incident broke in the midst of a raging controversy between the two countries over alleged discrimination against the 1.8m Hungarian minority in Romania. However, co-operation to combat water and air pollution within Comecon is generally poor.

Hungary is also showing mounting concern over the consequences of disposing of wastes from companies in Western Europe. Waste oil delivered for incineration in Hungary by a West German company was recently found to release poisonous gases into the air.

Wastes from the construction of the Vienna underground which were disposed of in Hungary under contract were found to contain dangerous levels of cyanide and phenol. The contracts were concluded by municipalities and the Hungarian Foreign Trade Ministry, despite a ban on importing waste products.

● A court in Ostrava, Czechoslovakia, has sentenced five employees of a cement company in connection with the release of 190 tonnes of heating oil into the Oder river last November.

The spill led to a controversy with Warsaw as the river was polluted far into Polish territory.

LAND SEIZURE LEADS TO BOYCOTT

Greek church turns back on government

BY ANDRIANA IERODIACONOU IN ATHENS

THE constitutionally sanctioned relationship between Greece's Orthodox church and the state is usually never more apparent, clad in pomp and circumstance, than on March 25. That day combines Greek Independence Day with the feast of the Annunciation in one of the country's major annual holidays.

This year, however, for the first time in recent memory, church and state celebrated March 25 separately. The cause, a bill tabled by the Socialist Government in Parliament about two weeks ago establishing state control over church property worth billions of drachmas around the country.

The legislation so angered the church leadership, headed by Archbishop Seraphim, that it was decided to boycott, in favour of a separate service elsewhere, the celebration Mass in Athens Cathedral which is customarily attended by the Government and foreign dignitaries. Instead of the glittering church hierarchy, this was performed yesterday by a plain parish priest.

The Holy Synod has said it does not object to the general aim of parts of the bill which provide for the takeover of monastery lands, estimated to cover approximately 1.3m hectares, and their allocation for agricultural use. However, it is not happy with the plan to give the land to agricultural co-operatives rather than individual farmers.

The church leadership, which has said it will take its case before the European Community and the United Nations, is up in arms mainly over Articles seven and eight of the bill which give the state a deciding role in the administration of lucrative urban assets.

The Synod argues that this contravenes provisions in the constitution for the administrative autonomy of the church, and that innovations such as that of elected metropolitan councils under the control of the government appointed local prefect instead of the bishop are bound to introduce party politics into church affairs. The Religious Affairs Ministry claims that what this will introduce is democracy. The two appear prepared to clash indefinitely for the last word.

Italy to demand extradition of Marcinkus

BY ALAN FRIEDMAN IN MILAN

THE ITALIAN Justice Ministry is to request the extradition from the Vatican of Archbishop Paul Marcinkus, the 65-year-old chairman of the Vatican's bank who is accused of complicity in the fraudulent bankruptcy which led to the collapse of Banco Ambrosiano in 1982.

The request, which will also demand the extradition of two other top executives at the Istituto per le Opere di Religione (IOR) or Vatican bank, is likely to be sent via diplomatic channels through the Foreign Ministry.

It could become a sticky diplomatic issue between Italy and the Holy See as there is no formal extradition treaty between them. Mgr Marcinkus, whose Rome apartment was raided by police last month, can only be arrested if he sets foot on Italian soil.

The Justice Ministry is believed to be basing its request partly on an article in the 1929 Lateran pacts between Mussolini and the Vatican. This states that "the Holy See will hand over to the Italian state fugitives inside Vatican City who have been accused of crimes committed on Italian territory and which are considered crimes by both states."

Last month, however, the Vatican responded to the warrant for Mgr Marcinkus's arrest by saying it would not tolerate "interference" in its affairs.

Warrants have also been issued for Mr Luigi Mennini, the IOR managing director, and Mr Pellegrino de Strobel, its chief accountant. They and Mr Marcinkus signed "letters of patronage" in 1981 which gave Vatican backing to more than $1bn of loans to dummy companies in the Bahamas, Panama and elsewhere.

The Vatican bank owned, directly and indirectly, 10 of the dummy companies to which Ambrosiano lent $1.3bn. The transfer of this sum out of Ambrosiano led to its collapse and the money was never recovered. In 1984 the Vatican bank agreed to pay $244m to 120 Ambrosiano creditors "in recognition of moral involvement" in the crash.

The Milan judges who have issued the warrants and who have described the lanky, golf-playing Archbishop Marcinkus as a "fugitive from Italian justice," say he will be tried in absentia if the extradition request is unsuccessful.

French warning over helicopter

BY DAVID HOUSEGO IN PARIS

SUBSTANTIAL SAVINGS must be achieved on the projected Franco-German anti-tank helicopter if it was to remain a realistic venture, Mr Andre Giraud, France's Defence Minister, said yesterday.

He and his West German counterpart, meeting in Bonn a week ago, decided to relaunch the project which has been stalled for three years. Mr Giraud said yesterday that the two main aerospace companies involved, Aerospatiale and Messerschmitt-Boelkow-Blohm of West Germany, would have until July to work out with defence officials the conditions under which development could go ahead.

But, insisting that there must be cost savings, he warned that if the joint venture threatened to exceed the price of France building a helicopter alone, it would have to be abandoned.

The plans provide for about 430 of the helicopters to be built and for them to come into service between 1977-99. France and West Germany would take roughly half each.

Call to link fighter radar work

BY DAVID BUCHAN IN ORLEANS

FRANCE HAS launched discussions with other Europeuan governments to pool radar technology for the two types of advanced military fighter aircraft being developed in Europe for the next decade, a senior French defence industry executive said yesterday.

M Jacques Savoyen, senior vice-president of Thomson-CSF, said his company had had a co-operation agreement with other European radar companies until, in mid-1985, France dropped out of the European programme, leaving Britain, West Germany, Italy and Spain to go ahead with European Fighter Aircraft (EFA). France is proceeding—so far alone—to make its own Rafale fighter for its own different air force needs.

Thomson-CSF, the dominant French electronics company, was "open to discussion" with other companies on future radar technology, Mr Savoyen said. The French Defence Ministry is anxious about the growing estimated cost of developing Rafale alone, and has actively encouraged Thomson to ry to renew broken links on the radar issue with European companies, including Ferranti and GEC of the UK.

Ferranti is leading an all-European bid for the estimated £1bn EFA radar contract, while GEC is the British partner of Hughes of the US which is leading a rival radar bid.

Gonzalez faced with rare censure motion

BY TOM BURNS IN MADRID

PRIME MINISTER Felipe Gonzalez, whose pragmatic brand of socialism has been battered by strikes and demonstrations since the beginning of the year, faces a new challenge today when the conservative opposition takes the rare step of initiating a parliamentary censure motion.

Mr Gonzalez's outright majority in Parliament will ensure the defeat of the motion, but the debate, which is scheduled to continue tomorrow, will be a valuable platform for the new Alianza Popular leader, Mr Antonio Hernandez Mancha, who will be making his maiden speech in Parliament.

The only precedent for a censure motion, in the ten years since parliamentary politics in Spain was established, was provided by Mr Gonzalez himself when, as opposition leader, he unsuccessfully moved a no-confidence vote against the then centrist prime minister, Mr Adolfo Suarez.

Mr Hernandez Mancha (36), elected Alianza Popular leader last month following the resignation of Mr Manuel Fraga, is not in fact an MP. He will be able to address Parliament as Alianza Popular's nominee for prime minister.

He said it was the duty of the main opposition party to channel the current widespread unrest in Spain through the parliamentary institutions and he charged Mr Gonzalez with "running out of ideas."

He will unveil today a government programme which will include a promise to privatise the public sector and plans for a widespread taxation reform.

Alianza Popular won 105 seats in the 350-member Parliament in the general election last June,

London and Bonn given research deadline

BY QUENTIN PEEL IN BRUSSELS

BRITAIN and West Germany have been given until the end of next week to decide if they can back the Ecu 6.48bn (£4.58bn) joint research programme agreed yesterday by the other 10 EEC member-states.

Failure to agree would mean a "grave crisis" for the European research industry, and would threaten a whole host of projects, Mr Guy Verhofstadt, the Belgian Science Minister and deputy premier, said.

The whole question of the five-year framework programme for research and development, incmluding the Esprit information technology projects and research into advanced telecommunications, seems certain to have to be decided at Cabinet level in both London and Bonn.

The deadline of April 3 for agreement is an artificial one, but coincides with a meeting of the European Commission in Bonn, and falls just before an informal meeting of EEC Foreign Ministers at which the Belgian Government might try to raise the issue to a political level.

Many officials in the European Commission and national representations in Brussels believe the deadlock will not be resolved without the personal intervention of Mrs Margaret Thatcher, UK Prime Minister, and Chancellor Helmut Kohl of West Germany.

The British Government remains much the most isolated in the debate, refusing to consider any figure for the research programme above Ecu 4.2bn (£2.97bn)—a figure from which Mr Geoffrey Pattie, UK Research Minister, refused to move.

The French Government shifted during the negotiations to acceptance of the Belgian compromise, which consists of Ecu 5.396bn of new money, and Ecu 1.084bn in money already earmarked for projects—making up the Ecu 6.48bn.

The deal does extend the life of the programme beyond 1991, however, by saying that "at least 16 per cent" or some Ecu 863m of the Ecu 5.396bn should not be committed before 1992.

Mr Heinz Riesenhuber, German Research Minister, refused to abandon his British colleague during the negotiations, but is understood to be willing to go up to Ecu 5.2bn—plus the "old money" of Ecu 1.084bn, a gap of only Ecu 200m less than the Belgian proposal.

The British insist the old money is part of their Ecu 4.2bn proposal, but are prepared to put more money in for post-1991 spending, which might push the British baseline up to around Ecu5bn—still almost Ecu 1.5bn away from the comparable figure of the other member-states.

Both British and German Ministers are under severe constraints to keep a tight lid on spending.

Mr Pattie has to persuade a whole range of British ministries to part with more money, including his own Department of Trade and Industry, the Departments of Energy, Environment, Education and Science, Health and Social Security, and Agriculture.

Brussels officials expect the West German Government to fall in line with the rest, but not before close consultation with London.

David Marsh on the last days of a rest home

Doors close on a chapter of Jewish history in Germany

COMPARED with the painful history of the Jews in Germany, it is scarcely a tragedy, no more than a final, minor ripple now coming to rest from a violent wave.

Yet still there was an air of pathos, of quiet desperation last week in the Jewish old people's home in Neustadt An Der Weinstrasse, a prosperous town tucked away on the Federal Republics western fringes, as the last two residents, both in their eighties packed up their belongings, gazed around at their increasingly forlorn surroundings, and prepared to leave.

The home is run by the Jewish Community of the Palatinate forest-and-vineyard region, sandwiched between the Rhine and the French border north of Strasbourg. Now it is closing its doors. In a sense, it is a second death.

Rebuilt in 1960 after its forerunner was burnt down by the Nazis, the home has plenty of cash, but it has run out of Jewish old people.

"In country areas like this, Jewish people are dying out," says Mr Harry Kindermann, manager of the Palatinate Jewish Community Organisation, who has run the Neustadt rest home for 17 years. "Jews in Germany have no future." The post-war West German state has poured out money and guilt, trying to alleviate the pain and the stain left by the murder of 6m Jews under Hitler.

But the efforts have only held up the inevitable.

The soul of the Jews has long departed from Germany—there are only 30,000 left in the country. Large cities like Berlin and Frankfurt still, however, have small, well-organised Jewish communities where young people can play a role.

But in the Palatinate, at least, the last representatives of a persecuted people are now withering away—the final demographic consequences of horrors half a century ago.

The home used to house 60 old people. But since 1980, numbers have been shrinking by seven or eight a year.

The uprooting and dispersal of its remaining 12 residents to rest homes spread around the south west of the country now provides one last trail.

Mrs Emmy Joseph, normally with a perky charm belying her 80-odd years, looks frail as she dispenses a few last chocolates, emptying her room ahead of last week's move to the big new general Neustadt rest home down the hill. The name of her husband, who died some years ago, is still on the door.

She is clearly upset. The new home—with more than 300 inmates—"is like a factory," she moans.

Her companion for the journey is Dr Erich Friedenthal, a genteel and philosophical 83-year-old who has lived in the Jewish home for nine years. He is also not looking forward to the transition.

"The new place seems to be rather bureaucratically managed. Not at all to my liking."

The original Jewish old people's home, an elegant villa-like edifice, was built just before the First World War for the elder citizens of the then thriving Jewish community in the Palatinate.

It was razed on the infamous crystal night of November 1938 when synagogues throughout Germany were put to the torch. Two old ladies died in the blaze.

The present-day home was rebuilt on the same site 27 years ago from the proceeds of the post-war state's compensation payments.

It has 48 comfortable rooms in airy spa-like surroundings on the outskirts of Neustadt, overlooking the 15th century church. The home was a refuge for German Jews who chose, cushioned by considerable compensation pensions for survivors, to return from exile abroad to spend their twilight years in West Germany.

"We had people from Israel, the US, Chile . . . who wanted to come back here to die," says Mr Kindermann. "Some were still loyal to the Kaiser."

Over his 17 years, he reflects with bluff humour, he has buried about a hundred of them.

Mr Kindermann, 60, a Berlin-born Jew who was placed in a forced labour camp during the final years of war, has been criticised by some local people —including inmates of the home—for not making more efforts to keep the residence going.

As a result of cash paid out after the war—"blood money," says Mr Kindermann—to make good property and land seized from Jewish people in the Palatinate, the community organisation has considerable financial assets. But, even though inmates were paying DM 1,850 a month for a single room with bathroom and toilet, the depleted residence was costing DM 250,000 a year to run. The deficit was estimated to rise to DM 300,000 this year.

"We are not a poor community," says Mr Kindermann. "But we are not so rich that we can shake DM 250,000 a year out of our shirtsleeves."

What happens next? The builders have already been at work. They are converting the building for use as a boarding school for adolescents with schooling difficulties. It is due to house 90 young people, from July. Neighbours in the quiet street have already protested about the expected noise.

Mr Kindermann maintains he will visit the last of his charges in their new abodes. He will concentrate on his job of administering the community of 120 Jews in the Palatinate—10,000 were registered in 1933 —and of looking after 80 Jewish cemeteries.

The region had 42 synagogues before the war. Now there is just one, in nearby Kaiserslautern. Just two Jewish children are left in the Palatinate. "One of our jobs is to give religious instruction," says Mr Kindermann, without conviction.

Mr Chaim Herzog, Israel's President, who next month makes the first trip to West Germany by the head of the Jewish state, said yesterday that his country needed to work together with the "new Germany," writes David Marsh.

Although Israel could not forget the past, it had to work for the future, he said in a radio interview. "That means good and close relations with the important country that the new Germany represents."

Moscow's missile option

By Our Foreign Staff

THE Soviet Union would prefer an accord on a reduction in shorter range nuclear weapons rather than a build-up of Nato's strength in these arms to Warsaw Pact levels, a senior Soviet official said yesterday.

Mr Vadim Loginov, a deputy Soviet Foreign Minister, reiterating Mr Mikhail Gorbachev's February proposal, said that Moscow would be prepared to enter negotiations on these weapons after it had agreed with Washington on a reducton in intermediate nuclear forces.

His comments were made in a briefing to foreign reporters following a meeting of Warsaw Pact foreign ministers

Mr Caspar Weinberger, the US Defence Secretary, said on Tuesday that Washington would "build up" its short range nuclear forces to Soviet levels if it was unable to strike an agreement with Moscow for it to reduce its short range weapons to parity with Nato.

In another briefing in Moscow yesterday General Yuri Lebedev, of the Soviet General Staff, said Britain and France would have to give up their independent nuclear forces if the superpowers succeeded in a comprehensive nuclear and conventional arms agreement.

"European nations with an independent defence policy will have to surrender to the general process embracing all of Europe for greater peace and security."

FINANCIAL TIMES
Published by the Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter-Societäts-Druckerei-GmbH, Frankfurt/Main. Responsible editor: R.A. Harper, Frankfurt/Main, Guiollettstrasse 54, 6000 Frankfurt am Main 1. © The Financial Times Ltd, 1987.
FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022.

Libyan troops pull out from northern Chad

BY PAUL BETTS IN PARIS

LIBYAN troops have started withdrawing yesterday from Libya's last major military outpost in the northern part of Chad at Faya-Largeau, according to reports.

The withdrawal follows the successive setbacks suffered by the Libyan forces in northern Chad during the past few days against the troops of President Hissene Habre who is seeking to reconquer the Libyan held northern part of the central African country.

President Habre's *troops backed* by French military equipment and logistical support captured last Sunday the Libyan base of Ouadi Doum and the main Libyan airstrip in the region. The fall of Ouadi Doum following the capture two and a half months earlier of another key Libyan outpost in the area at Fada left the last Libyan base in the north at Faya-Largeau isolated.

The Libyans were said to have destroyed several fuel and ammunition depots before starting to leave the Faya-Largeau base yesterday heading towards their home country. President Habre's troops are expected to take hold of Faya-Largeau without facing any resistance from the Libyans which have lost about 2000 soldiers since last Thursday, according to reports in Paris.

The latest Libyan setbacks are seen in France as marking a major turning point in the Chad conflict *with the troops of President Habre* appearing increasingly in control of the situation in the north.

● Libyan-backed Chadian rebels said yesterday that Chadian Government troops suffered heavy losses in the battle for Libya's main air base in northern Chad on Sunday, Reuter reports from Paris.

Chad's military high command said that its troops killed 1,269 Libyan soldiers and took 438 prisoners when they captured Ouadi Doum base. It said 29 Chadian soldiers were killed and 58 wounded.

Mr *Facho Balaam*, foreign affairs spokesman for the Transitional Government of National Unity (GUNT), denounced what he called "the lying imperialist press campaign around Ouadi Doum."

Speaking from the Libyan capital of Tripoli, Mr Balaam said the fighting around the air base was between the forces of the rebel National Liberation Army and Chadian government troops, aided by men from France and Zaire and *some black US soldiers*.

He *said thousands* of bodies of government troops lay at the scene of Sunday's battle.

"A large number of prisoners of different nationalities are in the hands of GUNT forces and they are being divided up," he said, adding that the prisoners' exact origins would later be announced to the press.

Ouadi Doum was Libya's only hard-runway base and its fall was seen by Western military analysts as a turning point in *Chadian President Hissene Habre's four-month* offensive to reconquer the north, leaving Libya's main strongpoint, Faya Largeau, increasingly exposed.

Iraq launches attacks against Gulf shipping

IRAQ has attacked two or three tankers carrying Iranian oil in the Gulf since Saturday, ending a lull of about three weeks in the so-called tanker war, Reuter reports from Bahrain.

"Two or three ships have been hit and there appear to have been some injured or dead," a salvage expert said.

Aviation sources in the region said Iraq had cut down its raids on Iranian shipping largely because of damage to its air force in January *and February*.

The latest vessel reported to have been attacked was the 123,600-tonne Liberian steam tanker Achilles. Lloyd's Shipping Intelligence said yesterday it understood the vessel was hit by Iraq within the last few days.

The Achilles was believed to have been chartered by Iran to shuttle oil from Kharg Island in the northern Gulf to the safer floating storage terminal at Larak Island at the mouth of the Gulf.

ECONOMY SEEN TO BE POISED FOR GROWTH

Debt deal shows a changed view of S Africa

BY ANTHONY ROBINSON IN JOHANNESBURG

FOREIGN BANKERS' acceptance of a three-year debt re-scheduling agreement with South Africa is the clearest evidence yet of a fundamental change in perceptions about the country, its political stability and economic strength.

On February 20 last year bankers, especially US bankers, refused South African pleas for a long term re-scheduling. Mindful of shareholders and public opinion, they insisted on one year only and also pressed hard for maximum repayment of the $14bn frozen by the August 1985 "debt standstill."

In the 13 months since then much has changed—both in the world and in foreign perceptions of South Africa. A year ago the nightly diet of township violence and repression on world television screens helped fuel the feeling that South Africa was heading for an Iranian-style revolution. Mounting sanctions and disinvestment pressure added to doubts over the ability *of the economy to function* and the willingness or ability of the authorities to continue servicing the frozen and unfrozen portions of a debt totalling $24bn.

Few today would still argue that South Africa is on the verge of either political or economic collapse. Re-imposition of the state of emergency accompanied by severe curbs on the media have succeeded in reducing the level of violence, although not of course the underlying causes. The Government has demonstrated its capacity to govern. Neither sanctions nor disinvestment have had a significant negative effect, thus far at least. Some evidence points to the contrary.

Exports last year rose from R36.5bn to R41.8bn (£7bn to £8bn) while imports rose less *to give a record trade* surplus of R14.9bn, a major factor behind the over R7bn current account surplus.

Higher gold, platinum and other prices helped. But figures were released yesterday which showed that GDP grew by only 0.5 per cent, instead of the original target of 3 per cent, and other statistics which show a 16 per cent decline in real fixed investment last year indicate that the surplus from which loans are being re-paid is largely the fruit of a depressed domestic economy.

Barring fresh political disasters, however, the economy, unmistakably leaner and more efficient after three gruelling years, is poised for faster expansion. Even with the expected 3 per cent growth this year the Reserve Bank expects a current account surplus of around R5bn, more if gold rises further.

Even before this week's debt agreement reserves had been rising sharply with a narrowing discount on the financial rand confirming brokers reports that foreign investors' attitudes were becoming more bullish. At least some of the smart money nervous about the dollar and other currencies, the looming Latin American debt problems and looking for a new profitable haven has been flowing back to South Africa.

The latest debt agreement, by removing some uncertainty and putting the financial scene in a longer term perspective, is expected to encourage a further re-rating of South Africa's prospects.

Even so it still leaves South Africa, essentially a developing country, in the position of a net capital exporter for the foreseeable future. The real breakthrough still depends on developments in the political arena and convincing proof that apartheid is indeed about to be replaced by a form of power sharing acceptable to all race groups — and the watching world.

Creditor banks breathe an unobtrusive sigh of relief

BY STEPHEN FIDLER

SOUTH AFRICA'S plan to reschedule its foreign debt over the next three years is probably a better deal than many of its almost 300 foreign creditor banks expected.

South Africa, which originally declared a debt moratorium in September 1985 and followed it by a 15-month interim arrangement which ends on June 30, took a tough line in the negotiations which it has been holding for several weeks with its 14 leading creditor banks.

It agreed eventually to repay 13 per cent of principal it owes to foreign banks over the three years, having proposed initially to repay less than half of that. But the banks have conceded a three-year deal, and South Africa has made no concessions to bank pressure that it should indicate its intention to change its political and economic system.

Most bankers admit they have little choice but to accept. The only other course open to them —attempts through the courts to sequestrate South African assets *abroad such as aircraft* — is widely seen as unlikely to be fruitful.

Mr Michael McWilliam, chief executive of Standard Chartered Bank, said that the plan "does not give us a lot of difficulty. Everyone would like to see the total come down faster, but we want to handle this in an orderly way. The credit risk does not worry us." His bank has £744m in cross-border lending to South Africa.

From the bankers' point of view, the deal compares favourably with their other debt *headaches, particularly those in* Brazil and other parts of South America, not least because it calls for some repayment of principal.

Nevertheless, western banks are unlikely to be trumpeting whatever satisfaction they may have with the plan, not least because close proximity to the whites-only government in South Africa does not go down well with many of their customers at home.

Anti-apartheid groups have already condemned the plan. A UK pressure group, End Loans *to South Africa*, said the banks "had capitulated to South Africa." It planned a demonstration yesterday outside the headquarters of National Westminster and protests at shareholder meetings of the main British lending banks, which also include Barclays and Standard Chartered.

In fact, although the arrangements provide for repayment of principal over the three years to *July 1990*, the country will be deeper in debt arrears at the end of the period than it *is now*.

Arrears of debt at the end of the current 15-month period, during which 5 per cent of outstanding principal will have been repaid, will amount to about £10bn. But while about $1.4bn of principal will be repaid over the following three year, a further $3bn will fall due during the period.

The arrangements contain what bankers call now an "exit vehicle," which will allow them to escape further negotiations with the South Africans for 10 years. If a bank can find a suitable South African borrower, it will be able to convert its official debt and negotiate interest rates with its new borrower.

Principal repayments for the first three years will follow the overall pattern.

(Three per cent will be repaid in July this year, 2 per cent in December and in June 1988, and then $1\frac{1}{2}$ per cent at half-yearly intervals for the remainder of the agreement.)

There will be no principal repayments in years four and five, and then equal semi-annual repayments for the remaining five years.

However, most bankers think this is unlikely to be widely used, since 10-year South African risk is not considered attractive by most banks.

Nevertheless, some bankers do see an improved short-term, economic picture for the country. It is expected to run a R5bn surplus in 1987, compared with a *surplus* of about R6bn in 1986. The sentiment has been helped by a gold price which appears to be staying over $400 an ounce.

In recent weeks, the two elements of South Africa's split currency have moved closer together. The financial rand has climbed consistently, reflecting what some dealers said was a perception that the foreign investment climate in South Africa had improved in recent months.

FOREIGN EXCHANGE DEALERS CAUTIOUS

The financial rand has *responded positively to South* Africa's new debt rescheduling agreement, but Johannesburg foreign exchange dealers remain cautious ahead of the May 6 white election, Jim Jones reports from Johannesburg.

From an effective 31 US cents on Tuesday, the investment currency moved sharply ahead to 33.5 US cents yesterday. But this, stockbrokers say, *simply underlines* the improvement in foreign investors' confidence in South Africa this year.

Stockbrokers Richard Stuart and Dixie Strong point out that foreign demand for South African gold shares and gilts has been *rising for* several weeks and that dollar *prices of gold shares have* increased by about 40 per cent since the start of the year. Mr Stuart believes that the three-year repayment agreement will allow the Reserve Bank to hold interest rates down which, in turn, will sustain the economic upswing.

The combination of economic advance and a continuation of negative real interest rates *will* support share prices, particularly as exchange controls leave South Africans with no foreign investment alternatives.

Mr Koos van Etingen, Standard Bank's chief foreign exchange dealer, believes that the repayment agreement will have little effect on the commercial rand. *And he* warns that the financial rand, which has been bolstered by foreign hopes of an electoral swing towards reformists, still has the election hurdle to overcome.

The wild card, everyone agrees, is the possibility that foreign creditor banks will be allowed to convert their loans into equities which can be sold and the proceeds externalised through the financial rand market. Mr Autrey Wilke, Barclay's forex chief, is convinced that American banks would jump at *this* opportunity to rid themselves of their South African exposure even at the cost of, in effect, writing-off part of their loans.

Fahd urges enhanced Mideast role for UK

By Andrew Gowers

KING FAHD of Saudi Arabia yesterday urged Mrs Margaret Thatcher, the British Prime Minister, to enhance Britain's role in finding a solution to the Middle East conflict.

During a meeting at 10 Downing Street characterised by British officials as "very warm," both the Saudi monarch and Mrs Thatcher underlined the closeness of ties between the two countries. But King Fahd is also believed to have reiterated remarks he made at a Buckingham Palace banquet on Tuesday night, in which he urged Britain to take "a more positive role in finding a just and comprehensive solution" to the Palestine problem.

His comments reflect widespread frustration among Arab moderates at the stagnation in the Middle East peace process, and in particular at the recent failure of the US to take an active role. Saudi Arabia is known to want the EEC, which recently issued a statement endorsing the idea of an international peace conference, to take a higher profile on the issue.

Rocket motor at fault

The loss of an Indian space satellite in the Bay of Bengal 163 seconds after it was launched on Tuesday is thought to have been caused by "a malfunction of the core motor," Mr J. R. Narayanan, Minister for Science and Technology, told the Indian Parliament yesterday, **John Elliott writes from New Delhi.**

HK censorship denied

The Hong Kong Government did not try to keep the fact that it was illegally censoring films secretly, although it had first realised there were political and legal problems with its film censorship regulations in 1972, Mr David Ford, the Chief Secretary, said yesterday, **Kevin Hamlin reports from Hong Kong.**

Renton in Burma

Mr Tim Renton, British Minister of State for Foreign and Commonwealth Affairs, arrived in Rangoon yesterday to begin a four-day goodwill visit which the British embassy said was "one in a series of ministerial exchanges aimed at strengthening the friendly links between UK and Burma," **Chit Tun writes from Rangoon.**

AMERICAN NEWS

Iran scandal prosecutor seeks Saudi co-operation

BY LIONEL BARBER IN WASHINGTON

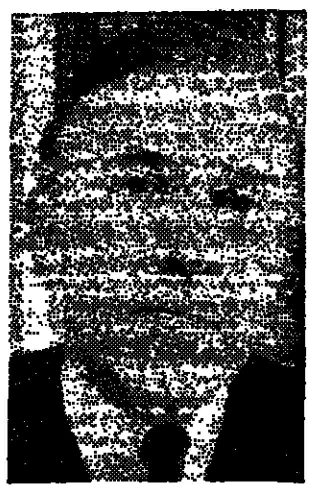
MR LAWRENCE WALSH, the court-appointed special prosecutor investigating the Iran arms scandal, has sought co-operation from the Saudi Arabian Government and will soon make similar approaches to key Israeli officials, and South Korea and Taiwan.

The broadening scope of Mr Walsh's inquiries matches parallel investigations by the two congressional select committees, which have sent subpoenas to more than 50 people, more than 60 companies and dozens of federal agencies.

The subpoenas specifically ask for all tax, bank and telephone records and reflect the intensity of the various probes into the scandal which, after last week's news conference by President Reagan, have lost a little steam.

The New York Times and the Washington Post yesterday reported that inquiries had begun to home in on Mr William Casey, the former CIA director, as a key figure in the secret effort to aid the Nicaraguan Contra rebels.

Mr Casey, who is seriously ill with brain cancer, is unlikely to be able to testify about his role in the Iran affair. But there is a growing impression that he took a special interest in finding ways to circumvent the 1984-85 congressional ban on aid to the Contras, and that he turned to Lt Col Oliver North, the sacked White House aide, to co-ordinate the funding operation.



Lawrence Walsh: looking further afield.

Mr Walsh meanwhile was reported to have asked Mr Bandar Bin Sultan, the Saudi Ambassador to the US, to volunteer to answer questions about the Iran-Contra affair.

According to Mr Robert McFarlane, former National Security Adviser, Mr Bin Sultan arranged secret contributions to the Contras at the rate of $1m a month in mid-1984, which grew to $32m in 1984-85. He has denied the allegations, and that any Saudi official was involved.

Attention has also focused on South Korea and Taiwan since the admission by retired army Major General Mr John Singlaub that he solicited $10m each from two countries in late 1984, while keeping Lt Col North informed of his efforts.

The decision on whether to co-operate with the congressional inquiries is a difficult one for Israel, Saudi Arabia, Taiwan and South Korea. Both the Saudis and Israel rely on congressional support for US arms purchases, while Israel is the largest single beneficiary of US military and economic aid which reached $3bn last year.

US schemes to advance women at work upheld

The US Supreme Court yesterday issued a landmark ruling upholding the legality of programmes that give special preferences in promoting women in the workplace, Reuter reports from Washington.

The decision, by a 6-3 vote, was another setback for the Reagan's Administration's controversial attack on so-called "affirmative action programmes" for minorities and women.

The court had been asked, for the first time, to strike down affirmative action programmes for women on the grounds that such schemes violate the constitutional rights of other employees.

The case involved the 1980 promotion of a woman, Diane Joyce, over a more qualified man, Paul Johnson, to the post of road despatcher by a local transportation agency in Santa Clara, California.

In 1978 the agency had adopted an affirmative action plan with a long-term goal of assigning 36 per cent of its jobs to women, minorities and the handicapped.

"The agency plan did not unnecessarily trammel male employees' rights or create an absolute bar to their advancement," Justice William Brennan said for the court majority.

He held that voluntary employer affirmative action plans could play a crucial role in furthering the purpose of US civil rights laws: eliminating the effects of discrimination in the workplace.

Justice Brennan described the agency's programme as a moderate, flexible approach that would bring about a gradual improvement in the representation of women and minorities in its work force.

The Reagan Administration had urged the court to rule that employers cannot give preferences to women over men unless a plan was narrowly tailored to remedy past bias.

The high court, however, flatly rejected that argument.

"An employer seeking to justify the adoption of an affirmative action plan need not point to its own discriminatory practices, but need point only to a conspicuous imbalance in traditionally segregated categories," Justice Brennan said.

Alfonsin sacks minister to placate unionists

BY TIM COONE IN BUENOS AIRES

MR HUGO Barrionuevo, Argentina's labour minister, has been sacked in an apparent attempt by the government to forge a peace agreement with the trade unions in an important electoral year and to divide the Peronist opposition.

Mr Barrionuevo handed in his resignation on Tuesday night on President Raul Alfonsin's request, but it is still uncertain who will replace him.

The government's favoured candidate, Mr Jose Rodriguez, the leader of the powerful car workers' union, yesterday turned down the offer of the post saying he wished to remain at the head of his union. Another union leader, Mr Carlos Alderete, the leader of the Power Workers Union, is believed to be the most probable candidate.

Leaders of the union were, however, unavailable for comment.

The choice of a union leader as a new labour minister, comes as a result of intense discussions over the past weeks between the ruling Radical Party and the powerful faction of the trade union movement, known as the "Group of 15" which is centred around the important metal workers' union and is opposed to the present leadership of the Argentine Trade Union Confederation (CGT).

Last week the metal workers' union broke existing Government wage guidelines by obtaining a 31 per cent wage increase from their employers, and which was finally approved by the government on condition that the increase is not passed on in prices.

President Raul Alfonsin

Economic analysts are sceptical that the steel and manufacturing industry affected by the agreement will be able to absorb the increases and consider that price increases will be inevitable.

A surge in inflation last July and August which shook public confidence in the government's Austral Plan, is widely thought to have been due to separate wage agreements pact between the government and the metal workers earlier in the year, well above wage agreements in other sectors.

The CGT, under the leadership of Mr Saul Ubaldini, has led eight general strikes against the Government's economic policy over the past three years, and the Government is clearly worried about a series of confrontations with the unions in the lead-up to the September elections will cost it the control of the Congress and the important Buenos Aires province.

By placing a union leader at the head of the Labour Ministry, the Radical Party hopes to head off such confrontations and to divide the trade union movement.

However, it is not thought likely that the "Group of 15" will enter into a form of social contract with the Government, without substantial concessions on wages for their own members.

The implication is that the Government may be preparing to temporarily abandon its recently imposed prices and incomes policy, at least for some sectors of the workforce and the manufacturing industry, in exchange for a truce on industrial action and better possibilities of winning the September elections.

Argentine document defends army policy

By Our Buenos Aires Correspondent

THE CLIMATE of tension between the Argentine Government and armed forces has been further heightened by the publication yesterday of fragments of a discussion paper being circulated amongst the High Command of the Argentine army.

The High Command began a two-day meeting on Tuesday to discuss the human rights trials which are presently under way and which implicate some 300 military officers in human rights abuses during the "dirty war" of the 1970s and during which some 9,000 persons disappeared.

The discussion paper which was leaked to the local press sharply criticises the trials and strongly defends the armed forces' repressive campaign during the military regime of 1976 to 1983.

It states: "The army does not renounce, and will never renounce the objectives which guided the action of the institution in the war against subversion, neither will forget the heroic action of its men."

The document states that the object of investigating and reflecting upon the past performance of the armed forces "does not culminate in the judicial clarification" of what happened but "sustains as an aspiration the total justification of the war and of the comrades that fought it." It goes on to say that the army will give all its support possible "within the legal framework" for those that have been put on trial.

Ecuador unions strike

By Sarita Kendall in Quito

ECUADOR'S trade union leaders warned that a general strike which began yesterday morning could be extended of the government does not agree to their demands.

Main roads in the capital Quito were blocked by rocks, burning car tyres and trees, and public transport was virtually paralysed. Schools were closed, and few shops and offices functioned normally.

The strike was called as a result of the 80 per cent petrol price increase imposed by the government after the March 5 earthquake destroyed part of the Trans-Andean oil pipeline.

Official attempts to control food and other price rises have failed. Union demands also include wage increases.

Chile exiles detained former minister

BY MARY HELEN SPOONER IN SANTIAGO

AN EXILED former Chilean cabinet minister who entered the country clandestinely and turned himself over to the courts was yesterday detained and sent into internal exile in Chile's extreme southern territory.

Mr Clodomiro Almeyda, Foreign Minister under the Socialist government of Salvador Allende, was arrested during the 1973 military coup which brought the military regime to power.

The military accused him of embezzling public funds and sent him, along with several other Allende government officials, to prison camp in Dawson Island, a frigid outpost south of Tierra Del Fuego, where he remained for several months before being released into exile.

Mr Almeyda, who heads the more radical wing of Chile's Socialist Party entered Chile on foot by way of a mountain pass along the Argentine border and arrived at the Santiago court building in a taxi.

The former foreign minister's surprise appearance prompted Pinochet regime officials to hold a special meeting to discuss his case.

A subsequent communique issued by the Government communications office said that Mr Almeyda was being investigated for possible "participation and knowledge of international subersive activities in support of terrorist movements in the country.

The move to banish Mr Almeyda marks the first time a Chilean political detainee has been sent into internal exile since 1985, and comes when a special delegate from the United Nations Human Rights Commission is in the country.

Fed governor backs commodity price index

BY LIONEL BARBER

MR ROBERT HELLER, a US Federal Reserve Board governor, yesterday called for greater reliance on commodity price indicators to bring about stability in national and global prices and exchange rates.

In a speech in Washington on Tuesday, Mr Heller gave the fullest exposure yet to the idea that commodity indices could be an important plank in reforming the international monetary system. Mr Heller, questioned about the sharp fall in the US dollar against the Japanese yen, said: "If Japan and West Germany want to have certain exchange rates, they should buy more American goods."

Mr Heller, appointed as a Fed governor, last year, is closely identified with the commodity price indicator theory which he said was an alternative to other mechanisms for stabilising prices and exchange rates such as the gold standard or currency target zones.

Mr Heller said the advantages of a commodity price index were varied: they are standardised in terms of quality; and they are at the start of the production chain and are fed into all production processes, thus providing an "early warning sign" for future changes at the wholesale and retail level.

Mr Heller suggested that commodity prices could therefore serve as a sensitive indicator of current and perhaps also future price pressures. "In times of rising commodity prices, monetary policy might be tightened and, in times of falling commodity prices, monetary policy might be eased," he said.

Mr Heller said the present system of floating exchange rates relied upon appropriate monetary policies in the various countries to result in exchange rate stability. But the experience of the past 15 years was that it resulted in larger short-term fluctuations of exchange rates than prevailed under Bretton Woods. The system needed to be improved, he said.

WORLD TRADE NEWS

Washington set to regulate pre-shipping export inspections

BY NANCY DUNNE IN WASHINGTON

THE HOUSE Foreign Affairs Committee has approved an amendment to the 1987 trade bill which would establish a system to regulate pre-shipping inspections of American exports by companies such as the Geneva-based Societe Generale de Surveillance (SGS).

The amendment, likely to pass with the trade bill next month, was introduced by Congressman Dan Mica, a Florida Democrat after US exporters alleged that SGS inspectors and those from other smaller, European-based companies were delaying shipments

The US International Trade Commission has been investigating the exporters' charges at the request of the US Trade Representative.

SGS began more than two decades ago to obtain contracts with African countries to inspect imports, and often exports, in order to curb fraud and capital flight.

Latin American countries began signing up as the demand for such services proliferated with the debt crisis. SGS now represents 24 governments, checking shipments in 140 countries.

To handle its mounting work load, SGS has expanded its offices in Miami and now employs 6,000 Americans in its operations. Unlike American companies, it asks to look at invoices and export price lists, to monitor for fraud.

Any negative reports by the inspectors mean shipments will not be accepted in the importing countries. However, an SGS representative said that less than half of 1 per cent of its reports are negative.

The amendment would set up a licensing system within the US Commerce Department, which its proponents say is similar to one instituted in West Germany. It prohibits inspection companies from placing a "discriminatory burden" on US commerce

It also provides for an appeals procedure and for civil penalties. After several infractions, a company's licence can be withdrawn by the Government.

Mr Frank Kramer, an attorney for SGS in Washington, said the amendment is a "good faith compromise which meets the legitimate needs of the exporters and companies involved."

Nigeria, Britain nearer to resuming normal trade

BY MICHAEL HOLMAN

NIGERIA AND Britain have taken an important step towards resumption of normal trade with the signing of terms for the rescheduling of Nigeria's official debts, agreed in principle last December.

Nigeria's estimated $5.5bn official debt was rescheduled by the Paris Club of western governments, but interest rates were left to be negotiated bilaterally.

The agreement, signed by Dr Chu Okongwu, Nigeria's Minister of Finance, and Mr Jack Gill, the chief executive of the Export Credit Guarantee Department (ECGD) will allow British traders once again to obtain cover for exports to Nigeria.

It is unlikely to take effect until a series of bilateral negotiations with other export credit agencies have been concluded.

Britain's uninsured traders, whose claims for substantial arrears in payments have yet to be met by Nigeria, will also be urging the British Government not to resume cover until efforts to settle the debt through the issue of promissory notes have been successfully concluded.

UK cover was suspended in 1983 when Nigeria began to accumulate arrears in trade payments as receipts for oil, the country's main export, slumped.

Nigeria has remained one of Britain's most important markets in black Africa, but the value of UK exports has fallen from £1.23bn in 1982 to around £500m last year.

Neither party last night was prepared to disclose details, although Dr Okongwu said the Nigerian Government was "happy" with the terms.

British officials would not comment on Nigerian expectations that the agreement will lead to a substantial increase in ECGD's Nigeria exposure.

Rolls-Royce plans to boost RB-211

By Michael Donne, Aerospace Correspondent

Rolls-Royce is planning to develop its successful RB-211 aero-engine, at present rated at about 58,000 lb thrust, up to at least 65,000 lb thrust and above.

The aim is to meet the increasing demands of airframe builders—Boeing, Airbus and McDonnell Douglas—for more powerful engines for their existing and projected wide-bodied airliners.

Rolls-Royce revealed this development, called the RB-211-700—which could cost many millions of pounds in development costs at a time when the company is on the verge of privatisation—yesterday.

At the same time, it announced a deal with Boeing of the US to instal its existing RB-211-524-D4D version of the engine—the highest thrust model of the RB-211 yet available at 58,000 lbs—in the Boeing 767 twin-engined jet airliner.

The latter is a medium to long-range aircraft, which is already competing with such aircraft as the McDonnell Douglas DC-10 and Boeing 747, and will compete even more strongly with the projected new McDonnell Douglas DM-11 and Boeing 747-400 jets, now under development, for service from about 1990.

The D4D is fighting for orders against the US General Electric CF6-80C2 and Pratt & Whitney PW-4000 engines in those aircraft.

Although the D4D is available for use in the Airbuses, such as the A-300 and A-310, no airilne has yet bought it for those aircraft.

The new deal to fit it into the 767 will therefore substantially widen the market for the engine.

Poles aim to cement British trade links

POLAND is looking to Britain to maintain its second place among Warsaw's Western trading partners ahead of France, Italy, and Austria, according to officials accompanying Mr Andrzej Wojcik, the Foreign Trade Minister, who starts a three-day visit to Britain today, Christopher Bobinski reports.

Mr Wojcik will be seeing British Government and financial officials as well as companies such as ICI

Cairo's reputation for bureaucracy is still a bar to new business, Tony Walker writes

Arab investment trickles back to Egypt

ARAB investment is trickling back into Egypt after a seven year break, reflecting improved political relations between Cairo and the Gulf states. But Egypt's reputation for excessive bureaucracy remains a barrier to new investment.

Gulf businessmen, whose investment domain had become Europe and North America, are taking another look as prospects in Egypt, easily the biggest market in the Middle East.

El Baraka, a Saudi investment house, is in the process of purchasing a 49 per cent share of Al Ahram Bank, part-owned by Egypt's public sector commercial banks and the Misr insurance company.

Such an investment would not have been possible until recently because of a virtual embargo by Gulf states on new business dealings with Egypt since the peace treaty with Israel was signed in 1979.

Kuwait and Saudi investors are examining a range of possibilities: in land reclamation, tourism, housing, fish farming and manufacturing. But a cautionary note was sounded recently by the director general of the Kuwait Development Fund, Mr Badr Mashari Hameedhi, when he complained about obstacles to business in Egypt.

Mr Hameedhi, visiting Cairo as an official guest, said in an interview with Al Ahram newspaper that loans for three projects including a sugar cane factory and assistance to the pharmaceuticals industry were being held up by protracted wrangling over terms and local funding.

Egyptian bankers and government officials say that renewed interest among Arab investors dates from about the middle of last year. This coincides with deepening concern in the Gulf at Iran's gains in the war with Iraq, hence a desire by countries like Kuwait to move closer to Egypt, which remains the predominant Arab military power.

Disappointment at returns on investments in Europe and North America, and a belief that Egypt may offer an alternative closer to home, are also encouraging a revival of interest.

Egypt may also be having some success in overcoming its highly unfavourable reputation among investors who often found they were strangled by a bureaucracy which stood as an institutionalised barrier against new ventures.

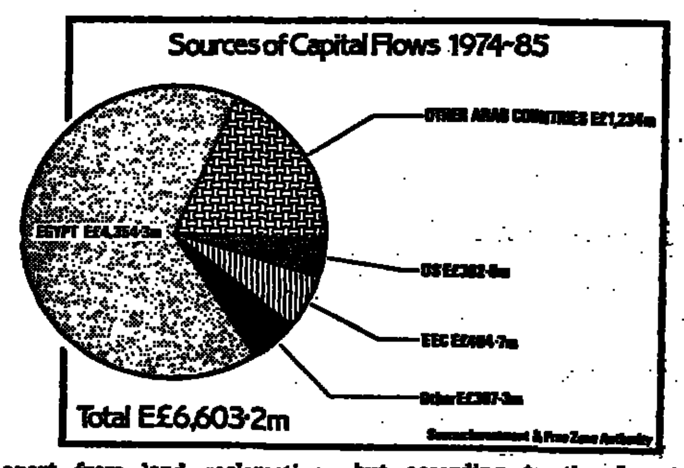
New customs and tariff regulations and tightened-up export procedures may help improve the business environment. Egypt has been trying to liberalise regulations governing investment such as those affecting land acquisition, but the system remains constipated.

Dr Mohieddin el Ghareeb, vice-chairman of Egypt's Investment and Free Zones Authority, said in an interview that there had been a "noticeable" increase in interest among Saudi and Kuwaiti investors.

The investment authority had a number of "priority" projects on offer to Gulf businessmen, with land reclamation "at the top of the list." Food security has emerged as the main priority of the Egyptian Government in its efforts to attract foreign investment and expertise.

With a population growing by about 1m every eight to nine months, Egypt faces potentially calamitous pressures because of its reliance on imports for about 50 per cent of its food. Food production is not keeping pace with population growth: the food gap is widening.

Dr El Ghareeb said that, apart from land reclamation, investors were being encouraged to consider projects in a range of agro-industries, including fish and poultry farming, milk processing, non-traditional fodder production, and the manufacture of fertilisers.



Kuwaiti investors had expressed interest in investing in the fertiliser industry: the Saudis in large-scale land reclamation. There was also interest among Gulf investors in the establishment of paper and pulp mills, housing projects and tourism.

But the barrier of rigid laws regarding land ownership remains. The present leasehold system under which investors may hold land for 50 years is not considered a sufficient inducement for foreign businessmen wishing to make a long-term investment in Egypt.

Dr El Ghareeb said a review of land ownership regulations was under way. But nationalist sentiment is vehemently against anything that smacks of selling Egypt's birthright and is a drag on reform of such regulations.

Figures for foreign investment in Egypt are incomplete, but according to the Investment and Free Zones Authority, total Arab investment in Egypt under regulations promulgated by President Sadat stood, in June 1985, at E£1.2bn ($888m), or about 19 per cent of such investment in the country.

US and EEC investment amounted to about 10 per cent of total investment (excluding the oil sector) or E£707.6m. This refers to investment which flowed into Egypt after President Sadat introduced his "open door" policy in 1974.

Bankers confirm a quickening of interest among Gulf investors. Mr Ray Seamer, manager of Lloyds Bank, said there was more money flowing through from the Gulf, particularly from Kuwait whose businessmen appear to be at the forefront of new investor interest in Egypt.

Another foreign banker said that as the pressures of the Iran-Iraq war on Gulf states coincided with an economic crisis in Egypt, word had gone out in Saudi and Kuwait to the effect that "come on, we've got to help our Egyptian friends, because they are going to help us."

Dr Hazem El Beblawi, head of the newly-established Export Development Bank of Egypt (Edbe) and formerly of the Kuwait Development Bank, is optimistic that Gulf investors will return, albeit cautiously

"My impression is that they were serious," he said of a recent high-level Kuwaiti business delegation to Egypt. "It's up to us to present them with specific, viable projects."

Dr. Beblawi said that domestic factors encouraging Kuwaitis to examine prospects in Egypt included the disastrous experience of many investors in the Souk Al Manakh (unofficial stock exchange) crash in 1982 and the fact that some local manufacturing industries were struggling.

Among the possibilities being considered was the dismantling of plants in Kuwait and re-establishing them in Egypt, where there was a big domestic market and a pool of relatively cheap labour.

Saudi investors are being encouraged to reconsider prospects in Egypt, especially in construction because of the severe recession in the building industry in the Kingdom. This means a good deal of idle equipment could be put to work in Egypt.

Egyptian officials and bankers say that the improvement in Egypt's diplomatic relations with Gulf states is having a positive effect on economic co-operation. The recent Islamic Conference Organisation meeting in Kuwait, at which Egypt took big strides back towards the Arab mainstream, was seen as particularly helpful.

As Dr Beblawi said: "There is no official veto any more on private sector investment in Egypt. Before, there was a sort of unofficial veto."

France, UK discussing reciprocal navy purchases

BY DAVID BUCHAN AND GEORGE GRAHAM IN PARIS

FRANCE and Britain are discussing reciprocal purchases of anti-submarine warfare equipment for their respective navies in a deal that would be a further sign of increasingly close collaboration between the two countries.

French defence ministry officials this week gave the impression that the defence barter deal was close to signature, though it is understood that Britain is also considering other options to buying submarine detectors from France.

The impending deal is in line with the recent agreement by Mr George Younger, UK Defence Secretary, and Mr Andre Giraud, his French counterpart, to make *achats croisés*, or counter-purchases, where joint development of a common defence system is not possible.

Under the proposed agreement, Britain would buy magnetic anomaly detectors made by Crouzet of France in collaboration with Dowty of the UK, in return for French purchase of a range of anti-submarine equipment such as sonar buoys, sonar data recorders, and depth charges

The value of each half of the transaction would be around £15m, French officials said.

Also bidding for the British submarine detectors contract were the Canadian company CAE, in conjunction with Normalair Garrett, and Ferranti in conjunction with Texas Instruments.

Last autumn, France and the UK struck a similar defence barter deal involving a British sale of naval navigation radar to France and a French sale to Britain of a remotely controlled mine disposal system.

The policy of counter-purchasing was initiated by Mr Giraud, as an addition but not an alternative to defence equipment collaboration in which the French defence minister is also keenly interested.

But it has met with an enthusiastic response from the UK Defence Ministry as a short term measure to increase ties between two European defence industries which have in recent years been far apart.

French officials say they are discussing another defence counter-purchase deal in the naval sector with the Netherlands, which also happens to be the only other country with which Britain has a small-scale defence equipment barter arrangement involving exchange of Rolls-Royce engines for a Dutch ship defence system.

هكذا من الأصل

SIB wins backing over sale of trusts

By Peter Riddell

THE GOVERNMENT will definitely back the Securities and Investment Board rather than the Office of Fair Trading, in the argument over the SIB's proposed rules on the sale of life assurance and unit trusts.

Mr Paul Channon, the Trade and Industry Secretary, will lay the order before Parliament transferring powers to the SIB as a statutorily backed agency on April 10. This is the earliest possible date at the end of the consultative period.

The orders would then be debated by both Houses of Parliament in mid-May to come into effect as soon as possible thereafter.

Ministers are determined to press ahead rapidly so as to be able to argue that the new framework of City regulation is in place, particularly in the event of a June general election.

Controversy has arisen over the so-called polarisation issue. The SIB's rules would require clearing banks to separate their investment advisory services from the sale of packaged investments in their branches to protect investors. The banks have strenuously objected and a report on Tuesday from the Office of Fair Trading agreed.

The Government will back the SIB, subject to agreed concessions including the exemption of building societies from investor compensation arrangements.

There may also be changes in the SIB's rules affecting registration costs under the new system for smaller insurance intermediaries.

'Enthusiasm' by workers for new technology

BY PHILIP BASSETT, LABOUR EDITOR

COMPANIES recognising trade unions have reduced their workforces in the recession and those with no unions have increased them, according to a workplace study published today.

Although the study – Workplace Industrial Relations and Technical Change – looks mainly at the impact of new technology, it gives for the first time detailed indications of differences in employment patterns between companies which recognise trade unions and those which do not.

It finds enthusiastic support among both employees and their unions for new technology, but shows that foreign-owned companies operating in the UK are much more likely than British-owned establishments to introduce it.

The study, by the independent Policy Studies Institute (PSI) research body, uses data – widely regarded as the largest and most authoritative recent examination of UK industrial relations trends – from a sample of more than 2,000 establishments across all economic sectors.

Its findings on the employment impact of trade union recognition seem to lend support to those who hold that trade unionism can inhibit economic growth.

It says that in 1980-84 – the worst period of the recession – establishments which recognised unions for their manual workers saw a 5 per cent reduction in the size of their workforces, while non-union companies saw a 7 per cent growth.

For non-manual unions the gap was slightly less – a 2 per cent reduction if unionised, and a 4 per cent increase if the establishment was non-union.

The pattern of employment reductions in unionised companies and increases in jobs in non-union establishments was constant both across broad industrial sectors and when measured by establishment size.

In private manufacturing industry, establishments recognising unions for their manual workers saw a 13 per cent fall in employment in the period and non-union companies a 6 per cent increase.

The biggest difference was in medium-sized private-sector manufacturing companies, where unionised establishments saw a 18 per cent reduction in their workforces, and non-union companies a 23 per cent growth.

On technology, the study found considerable superiority in technical change among foreign-owned companies, especially in manufacturing. Only 42 per cent of British companies used microtechnology affecting manual workers, compared with 71 per cent of overseas-owned companies.

There was strong support among employees for technical change, with 78 per cent in favour of advanced change and 85 per cent in favour of conventional change – although only 44 per cent supported non-technical changes in the way they worked.

Japanese 'may face retaliation in City'

By Tom Lynch

JAPANESE FINANCIAL institutions in the City of London may be a prime target for retaliation against Japanese trading practices, Mr Alan Clark, Trade Minister, told the House of Commons yesterday. MPs of all parties reacted with fury when Mr Clark said the 1986 trade deficit with Japan was estimated at £3.7bn.

Asked what evidence there was that Japan was honouring its undertakings to allow foreign access to its markets, Mr Clark responded: "None."

Mr Clark said that Mr Michael Howard, the Corporate and Consumer Affairs Minister, would remind the authorities on his forthcoming visit to Japan of the provisions in the Financial Services Act. This allowed foreign involvement in the UK sector to be blocked if that country's government did not allow equal access to UK operators.

He said that last week's disappointment for Cable & Wireless over an international telecommunications contract in Japan "completely encapsulates the Japanese attitude." The company had had a 20 per cent stake in a consortium, bidding for the contract, which merged with its sole rival, in such a way as to cut C&W out of the infrastructure work and leave it with a 3 per cent stake.

Mr Clark said Mrs Margaret Thatcher, the Prime Minister, had written to Mr Yasihuro Nakasone, the Japanese Prime Minister, on March 4, but had received no reply.

Mr Richard Hickmet (Conservative) said the Japanese "were planning world domination through trade." He urged Mr Clark to "tell the Japanese to take their financial operations out of the City, remove their trading markets and make them go home." Mr Clark told him: "This is one sector where we have the possibility of immediate retaliation where it is appropriate."

Mr John Smith, Labour's trade spokesman, said it was not enough for Mr Clark to wring his hands. He challenged him "to do to the Japanese what they do to us."

Mr Clark said Britain was constrained by a network of treaties and the approval of trading partners was required if there was to be deviation from international obligations.

Court orders end to Caterpillar sit-in

BY JAMES BUXTON, SCOTTISH CORRESPONDENT

WORKERS at the Caterpillar tractor plant at Uddingston near Glasgow were ordered yesterday by the Court of Session in Edinburgh to end their occupation.

Last night, workers were meeting to decide whether to comply with the injunction, which has to be served on each of 808 hourly employees. The court was told that if they ended the sit-in they would call a strike and picket the plant. Another meeting is to be held tomorrow.

The occupation began in mid-January when Caterpillar abruptly said the plant would close within a year or so, less than four months after announcing a £62m investment programme.

In his judgment, Lord Clyde said Caterpillar had given an undertaking that if the men ended the occupation it would hold talks to see what employment could be found for all or part of the workforce.

He had asked both parties to use the lunchtime adjournment to try to reach a negotiated settlement. Caterpillar said there could be no negotiations while the occupation continued.

UK NEWS

Alan Pike examines a report on Britain's health inequalities

Fitness fails to cross social divide

THE HEALTH Education Council has not gone quietly. One week before being wound-up by the Government, it has signed-off in a flurry of controversy over a report which highlights serious social inequalities in Britain's health.

Scope for political argument about the report's contents, itself great enough in a probable general election year, has been intensified by the circumstances of its publication on Tuesday.

Amid Labour opposition allegations of ministerial interference, Sir Brian Bailey, the council's chairman, called off a press conference to unveil the report. But members of a research group working involved with the document – "The Health Divide: Inequalities in Health in the 1980s" – went ahead and launched it themselves.

The report is a follow-up study to "Inequalities in Health," an investigation into differences of health status among the social classes chaired by Sir Douglas Black in the late 1970s.

This reported in 1980, and Mr Patrick Jenkin, then social services secretary, described the cost of meeting its recommendations as "quite unrealistic in present or any foreseeable economic circumstances."

Patterns of inequality documented by the Black working party have, says the new report by Ms Margaret Whitehead, persisted into the 1980s.

"Whether social position is measured by occupational class, or by assets such as house and car ownership, or by employment status, a similar picture emerges. Those at the bottom of the social scale have much higher death rates than those at the top. This applies at every stage of life from birth, through to adulthood and well into old age."

In a section which will inflame arguments of a North-South divide in Britain, the report comments that striking regional disparities in health can still be observed. Death rates in 1979-83 were highest in Scotland, followed by the North and North West regions of England. The lowest rates were in the South East of England and East Anglia.

"What is becoming increasingly clear from fresh evidence is the great inequalities which exist between communities living side-by-side in the same region."

Numerous studies at local level pinpointed pockets of very poor health, corresponding to areas of social and material deprivation. Nearby areas with much better health profiles exhibited more affluent characteristics. "Although such deprived areas can be found throughout the country, the North has a higher concentration of them than the South and South East."

There is, says the report, convincing evidence of widening health inequalities between social groups – particularly among adults – in recent decades. "In some respects the health of the lower occupational classes has actually deteriorated against a background of general improvement in the population."

Death rates had declined more rapidly in the higher occupational classes. There had been a widening gap in the chronic sickness rate of manual and non-manual groups between 1974-84, while during the late 1970s the gap had widened for acute sickness as well.

The Health Education Council was set up in the late 1960s to work in co-operation with government, health authorities, local authorities and other bodies to plan and promote health education.

It is apparent that some ministers have not always regarded the council as working in co-operation with the government. The council has run vigorous campaigns against health problems caused by tobacco and alcohol and its director, Dr David Player, has been outspoken in his criticism of Government policies in these areas.

Last November, to the surprise of members of the council, Mr Norman Fowler, Social Services Secretary, announced a decision to replace it by a Health Education Authority which will be under more direct government control. The authority will have an expanded budget to take responsibility for the Government's anti-AIDS activities. It replaces the council next Wednesday.

The council's final report will revive arguments about Mr Fowler's decision to make the new authority directly answerable to the Government. Baroness Birk, a former Labour minister and the council's first chairman, said yesterday that she felt strongly that "having an independent body and giving it enough resources to run its own campaigns is a much better way."

And the report rekindles, in the context of a forthcoming general election campaign, the debate about health inequalities in Britain which were stimulated by the original Black report.

Dr Player describes the council's final report as an essential element in a public debate about health inequalities which must occur in the UK. "Such inequality is inexcusable in a democratic society which prides itself on being humane."

The debate is not entirely one-sided. Critics argue, for instance, that changes in the make-up of the social classes through the years, with an increase in the size of the non-manual occupational classifications, cast doubt on unqualified statements that health inequalities are growing.

In a foreword to the new report, Sir Douglas Black and his co-authors of "Inequalities in Health" – Mr Jerry Morris, Mr Cyril Smith and Mr Peter Townsend – refer to targets which have been set by the World Health Organisation's European office for the year 2,000. These include reducing health inequalities by at least 25 per cent.

If an appropriate programme were now introduced in Britain, they say, thousands of deaths each year could be saved building up to a figure of 20,000 at the end of the century.

British cars are built by only four companies, MPs told

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

ONLY AUSTIN ROVER, Ford, Jaguar and the Land Rover company build truly British cars, the House of Commons Trade and Industry Select Committee was told yesterday.

United Engineering Steels, the private sector special steels company owned jointly by British Steel Corporation and GKN, said both Vauxhall, the General Motors subsidiary, and the French-owned Peugeot Talbot assemble cars largely from imported components and contained little special steel from the UK.

It would take four or five Nissan cars assembled in the Japanese company's factory at Washington, Tyne and Wear in northern England, to reach the UK content of one genuinely British car, according to Mr Alistair Brown, chief executive of UES's United Engineering and Forging division.

Production of Nissan cars in the UK would benefit UES only if they did not displace other British-built cars and if the Japanese company used engines, gear boxes, driveline components and suspension systems incorporating UK engineering steel.

"We would look to the Government to influence Nissan to implement UK sourcing of forged components at an early stage," UES said in a memorandum to the committee.

The company said it was concerned about the possibility of component imports from continental Europe increasing in the future following the takeover of Leyland Trucks by Daf of the Netherlands and the merger of Ford's medium and heavy truck operations with those of Iveco, the Fiat-owned company.

● Workers at Peugeot Talbot, the UK car subsidiary of Peugeot of France, voted yesterday to accept a two-year pay deal offering a 6 per cent rise in basic wages each year.

Belfast yard launches navy's largest ship

BY KEVIN BROWN IN BELFAST

HARLAND AND WOLFF, the state owned Belfast shipbuilder, yesterday launched its first naval ship for 17 years, the Royal Fleet Auxiliary aviation training ship Argus.

At 28,081 displacement tonnes, the Argus will be the largest ship in the Royal Navy, substantially bigger than the 19,000 displacement tonnes through-deck cruisers.

The launch marks the end of the first phase of the largest design and conversion project yet carried out for the navy. The contract is also the first in which a shipbuilder has taken responsibility for procurement and fitting of weapons and communications systems.

The Argus, formerly the roll-on roll-off container ship Contender Bezant, owned by Sea Containers, was acquired by Harland and Wolff in 1984 after her requisitioning by the Government for service in the South Atlantic.

The major modifications carried out by Harland and Wolff have been the conversion of the vehicle deck for use as a hangar, and the addition of accomodation for up to [illegible] crew.

The ship will carry six Sea King helicopters in its peacetime training role, but it is capable of transporting an additional 12 Sea Harrier aircraft in wartime. The ship is expected to be handed over to the Royal Navy in June or July, and will enter service at the end of a year after extensive sea trials.

Mr John Parker, chairman of Harland and Wolff, said the cost of procuring and converting the Argus was less than 25 per cent of the construction cost of a cruiser. He said the yard expected to deliver the ship within budget, and would probably make a profit on the contract.

He said the workforce at Harland and Wolff was likely to remain stable after the latest round of 800 redundancies, which will reduce employment to about 4,200 by the end of this month

UK NEWS

Saunders denies benefiting from Guinness' £25m

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MR ERNEST SAUNDERS yesterday denied that he had benefited from any of the £25m paid out by Guinness in a support operation during its Distillers takeover bid. The denial came in Mr Saunders' first public statement on the Guinness affair since he was sacked as chairman and chief executive of the company in January.

Lawyers for Mr Saunders applied successfully to the High Court yesterday for an extension of the time in which he has to comply with a court order to disclose the whereabouts of £5.2m of the £25m, paid to a Jersey company.

Mr Philip Heslop, QC, for Mr Saunders, who is at present receiving hospital treatment in Switzerland, told Mr Justice Knox that intense speculation had surrounded the £25m.

"Mr Saunders would like it to be known that at no time has he ever had any beneficial interest either in the £5.2m or any part of that sum or, indeed, in any other of the £25m fees and commissions paid by Guinness, which are the subject matter not only of investigation by Department of Trade Inspectors but also by Guinness," Mr Heslop said.

He added that "suspicions and allegations to the contrary" in evidence put before the court by Guinness would be strenously denied.

"It is right, since this is the first open comment made on the matter by Mr Saunders, that his position should be understood at this stage," Mr Heslop said.

At private court hearings last week, Guinness was granted wide-ranging orders against Mr Saunders and Mr Thomas Ward, the US lawyer who is also a Guinness director, in relation to the £5.2m, initially paid to a Jersey company, Marketing and Acquisition Consultants.

The two men were ordered not to remove from the UK any money or property representing the £5.2m, and not to deal with it either within or outside the UK court's jurisdiction.

Injunctions were made freezing Mr Saunders' and Mr Ward's assets in the UK up to a limit of £5.2m. They were ordered to disclose the whereabouts of the £5.2m and any property acquired or derived from it and identify any bank or other account where any of the money is.

Further orders required them to "repatriate" the £5.2m, or any property derived from it, to the UK and to deliver it up to Guinness' solicitors. The orders were due to expire yesterday, but by agreement were extended until April 1, with the exception of the disclosure order against Mr Saunders, which was extended, against opposition from Guinness, until April 8.

Mr Justice Knox, who had been told that Mr Saunders intended applying to discharge all the orders against him, said that it would not be safe for the disclosure order to operate so as to expose Mr Saunders to the possibility of being in contempt of court for a failure to comply, without him having an opportunity to put his side of the case to the court.

The judge added that there must not, however, be any "drawing out" of the matter that would frustrate the orders made last week. The judge had been told by Mr Heslop that it would be oppressive and unfair if Mr Saunders had to comply with "extensive, if not Draconian", orders before he had applied to discharge them.

Price war looms in overseas package holiday market

BY DAVID CHURCHILL, LEISURE INDUSTRIES CORRESPONDENT

THE PRICE WAR in the overseas package holiday market could flare up again soon if demand for holiday during the peak summer months does not pick up significantly.

Already some tour operators, such as Cosmos, are offering "selective discounts" on summer 1987 holidays in a bid to stimulate flagging sales. Cosmos is offering price cuts of up to £25 on certain holidays in a promotion costing it about £500,000.

The problem for the travel trade is that the record number of package tours last year – when some 10m overseas holidays were sold – encouraged the major tour operators to increase capacity for this summer by about 25 per cent.

However, trade estimates suggest that demand at present is only between 10 to 15 per cent higher than last year. This means that there is still considerable excess capacity.

Many tour companies were lulled into a false sense of security by the high level of pre-Christmas bookings for this summer's package holidays. After Christmas, however, sales slackened, partially hampered by the bad winter weather which prevented customers from visiting travel agents.

"But since the beginning of March sales have taken off again, stimulated by aggressive marketing and early discounts by tour operators," says Mr Neil Thomson, marketing director of Pickfords Travel, a leading travel agency chain.

"However, there is still a lot of capacity around and some operators could be forced into further discounting if they lose their nerve," he adds.

The particular problem is faced during the high season months of July and August when many people have to take their holidays and therefore when discounts are normally less. Bookings for these months are slow for many operators as consumers wait and see if price cuts will be offered.

Thomson Holidays, the market leader in package holidays, believes that its current level of bookings puts it in a strong position to withstand any renewed price war. The expansion of its Skytours subsidiary, which offers budget price holidays, has helped boost its overall market share according to travel trade analysts.

Intasun, part of the International Leisure Group which earlier this week revealed it was in takeover talks with another company, is also reported to be in a strong position.

"But we are not so foolish as to believe there will not be any discounting this year", comments Mr Peter Woodward, deputy chairman. "There will be price cuts and more so than last year."

'Hanson role' in Sikorsky deal

BY TOM LYNCH

LORD HANSON, chairman of Hanson Trust, and Mr Rupert Murdoch, chairman of News International, bought shares in Westland at more than their market value to help the Government ensure the victory of Sikorsky in last year's takeover battle, Mr Robin Cook, the opposition Labour Party's trade spokesman, said in the House of Commons yesterday.

Mr Cook's accusation came at question time as Labour pressed the Government for action on the report by the Commons Trade and Industry Committee, which found that there had been a "concert party" dealing in Westland shares.

The Government's reaction to the report is likely to be contained in the review of operations of the takeover panel, which ministers hope to publish before the end of April.

Mr Paul Channon, Trade and Industry Secretary, said he had written to the committee on Tuesday giving the Government's response. He told MPs it was for the committee to decide whether it should be published. The committee meets next Wednesday and is expected to decide to go ahead with publication.

Mr Cook recalled Mr Channon's statement a year ago that he would be watching the committee's inquiry "like a hawk." Now that the committee had concluded that there had been a concert party, he suggested that the minister should "try a bit of swooping like a hawk."

He added: "The Sikorsky deal was secured by Mr Rupert Murdoch and Lord Hanson being prepared to pay over the odds for enough shares to get the result the Prime Minister wanted." He suggested that they had more influence in Downing Street than Mr Channon.

Mr Channon snapped: "If you believe that, you will believe anything."

Mr Kenneth Warren (conservative), chairman of the committee, urged Mr Channon to ensure rapid progress on the committee's call for moves to improve business ethics.

Mr Channon said the committee's call for disclosure of who had a material interest in a nominee shareholding was being considered.

Luck deserts British gamblers

BY DAVID CHURCHILL, LEISURE INDUSTRIES CORRESPONDENT

GAMBLING industries in Britain are going through difficult times, according to the latest report from the Gaming Board of Great Britain published yesterday.

The report shows there were fewer casinos and bingo clubs and only limited interest in lottery schemes.

Prepared under the chairmanship of Mr Norman Ward Jones, appointed last year to succeed the late Sir Anthony Rawlinson, the report shows the London casino business was particularly affected by the downturn in gambling last year.

London casino gambling, which accounts for the bulk of such gambling in the UK, fell by 4.4 per cent to £1.18m in 1986 compared with 1985. In 1985, the amount exchanged for casino chips rose by over 9 per cent.

The board's report also shows that the number of bingo clubs in 1986 continued to fall, reaching 1,186 compared with 1,270 the previous year. The amount staked on bingo in the year to August 1986 increased by only 4.2 per cent to £496m.

Introduction of the new national bingo game came too early for accurate figures to be recorded. "Indications so far are that increases in admissions are not significant," it adds.

While the total number of lottery schemes registered rose to 562 in 1986, compared with 532a year earlier, many lotteries "failed to take advantage of the 50 per cent increases in the maximum permitted value of tickets and prize limits for schemes."

Report of the Gaming Board for Great Britain 1986; HC paper 263; HMSO, £5.20.

UK NEWS

Labour puts £1bn annual price on industry package

BY PETER RIDDELL, POLITICAL EDITOR

THE LABOUR PARTY'S "enterprise package" to regenerate British industry would cost £1bn annually for the first two years, Mr John Smith, the principal opposition spokesman on trade and industry, said at the launch of New Industrial Strength for Britain, the party's programme for national renewal.

Mr Smith said that, apart from the initial cost, there would be further increases in spending on the Department of Trade and Industry budget over the long-term programme of increasing public and private-sector projects and for the British Investment Bank.

The document promises that Labour would establish a five-year protected budget for the DTI, in the sense that the DTI budget would be in a special category. "As well as enhanced powers and resources, the DTI will have under its control both the British Investment Bank and British Enterprise."

Labour's intention was "to see that the DTI becomes a creative, entrepreneurial department, taking an active role in moulding our industrial future, speaking to and for British industry."

The British Investment Bank will make loans available at low interest rates and tie interest repayment to the revenue profile of the project in which funds are invested. It will be built around investors in industry, the industrial investment bank.

Labour suggests the BIB is comparable with banks such as the KfW in West Germany and the Crédit National in France. The BIB emphasised long-term lending and the provision of equity-related finance mirroring the practice of these banks.

British Enterprise, the new state holding company, will be responsible primarily for initiating industrial ventures in high-tech areas.

Both bodies will come under the DTI which will have a strengthened role in setting industrial strategy in Whitehall, working with the National Economic Development Council and regional planning councils.

At the press conference Mr Neil Kinnock, the Labour leader, sought to play down expectations about how quickly industrial generation would be brought about. He stressed however, that, while external circumstances might change the pace of recovery, they would not change the direction.

The document says that Labour would ensure that the activities of multinational companies conformed to Britain's national trading, investment and employment objectives.

A Labour government would also restore the Scottish and Welsh Development Agencies to their original roles as instruments of industrial reconstruction and would use the original statutory provisions as a model for similar agencies in the English regions.

Mr Smith said that the present Government had squeezed the budget of the Scottish Development Agency and made it more reliant on outside finance and therefore "much more like a public-sector merchant bank."

Four appointed to Lloyd's council

BY NICK BUNKER

LLOYD'S OF London yesterday completed another step in its regulatory reforms by appointing an industrialist, a banker, an accountant and an academic lawyer as so-called "nominated" members of its 28-strong ruling council.

The Bank of England has approved the apointees, who are Sir Maurice Hodgson, non-executive chairman of British Home Stores; Sir Jeremy Morse, chairman of Lloyds Bank; Mr Brian Pomeroy, a partner in Touche Ross, the accountancy firm; and Mrs Elizabeth Freeman, a Cambridge University law lecturer and fellow of Clare College.

Mrs Freeman will be the first woman to sit on the council since its creation after the 1982 Lloyd's Act. The four new members will replace with effect from July 1 four professional members of the Lloyd's insurance market who have resigned from the council in order to speed up its implementation of the Neill inquiry's recommendations for reform.

Sir Patrick Neill's Government-appointed inquiry team reported in January with 70 recommendations for improving investor protection in the market. It called for a shake-up in the composition of the council, to end its numerical domination by full-time Lloyd's brokers and underwriters.

Lloyd's therefore agreed on January 22 to seek four outsiders to sit as additional "nominated" members able to scrutinise independently the market's regulatory framework.

There was little surprise yesterday in the council's choice of names. Sir Maurice Hodgson and Mr Pomeroy had both been tipped as likely candidates.

Sir Maurice is well-acquainted with Mr Alan Lord, the chief executive and deputy chairman of Lloyd's. Sir Maurice was chairman of Dunlop Holdings in 1984, when Mr Lord was Dunlop's chief executive. Mr Pomeroy was a member of Sir Patrick Neill's inquiry team.

The most interesting choice however is Sir Jeremy Morse, who spent eight years from 1964 to 1972 as a high-ranking official at the Bank of England, where he was executive director in charge of overseas affairs at the time of the devaluation of sterling in 1967.

The Bank of England has an important role in Lloyd's affairs, since it has to approve the choice of nominated members of the council and keeps a close eye on developments at Lloyd's.

Sir Jeremy also served on the group appointed by the Bank of England in May 1984 to advise on the future shape of self-regulation in London's financial community.

Part four: **Fiona Thompson** talks to a group of people who retired the year Mrs Thatcher became Prime Minister and (below) **Joe Rogaly** finds that Beveridge's foundations for the welfare state are being rediscovered

Voters with the longest memories

"AS FAR as pensioners are concerned, Mrs Thatcher's useless. She's got no consideration for them at all."

Charles Bovingdon, not a man to mince his words, shares an anniversary with the Prime Minister: he retired the year she came to power. That is just about all they have in common.

Mr Bovingdon, 72, a quality control inspector with the engineering group GKN until his retirement, lives with his wife, Evelyn, in their own home in Telford, Shropshire.

Their joint state pension is £260.90 per month. "Absolutely inadequate," says Mr Bovingdon "Anybody thats retired needs another £20 to £25 a week.

"Whatever pension increase we get is eaten up by rates, electricity and gas rises. Our rates increased 50 per cent last year.

"It's not that we want to live like *Lady Muck*. I'm just not used to being poverty-stricken."

What particularly enrages Mr Bovingdon is that, as he sees it, this Government penalises pensioners who have helped themselves by saving over the years or paying into company pension schemes.

His pension from GKN puts them, just, above the qualifying level for supplementary benefit. When, during the January cold spell, they applied for the *special £5 heating allowance* they were refused, because they were not receiving benefit. Their heating bill was 30 per cent up during that quarter.

"It's wrong. If you blue all your money in the pub, you're given benefit. If you save, you're not.

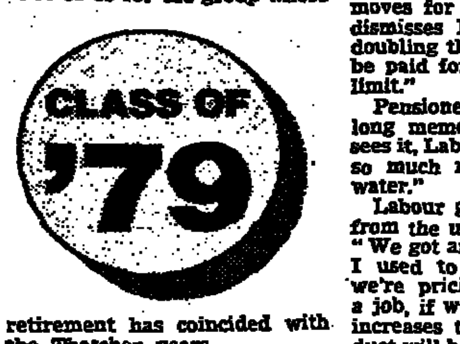
"This government hasn't done us any good. The NHS has been run down, unemployment is going back to the level of the 1930s, the welfare state will cease to exist if they stay in power much longer."

It is not that Mr Bovingdon is a confirmed socialist. Indeed he regularly voted Conservative until the late 1960s. It was more a question of gradual disillusionment.

"I am not committed to any one party. *But I do like to vote* for someone who gives fair play. The Tories don't seem to look after anyone but themselves — the people with money. They are very selfish."

To Mr Bovingdon, Labour is not a credible alternative — "that is just a vote for the unions."

The Alliance will be getting his vote. "They are more level headed, middle of the road. They can't do any worse, let's hope they can do better." Politics did not, of course, stop at 60 or 65 for the group whose



retirement has coincided with the Thatcher years.

Winifred Green, 67, and her husband live in Dudley, West Midlands, sharing their home with her brother and their son. The Greens saved for their retirement "so we can run a car and we're managing fairly well." But she sees herself as one of the lucky ones.

Mrs Green was an accounts clerk at a West Midlands manufacturing company before retiring in 1979 and regularly visits fellow ex-employees, keeping in touch with about 48 to 50 people.

"I went to see a lady in Brierley Hill in January. She had no heating on except a single bar electric fire. She couldn't claim supplementary benefit because of her small company pension. Surely that is wrong.

"I know a lot of people whose company pensions put them just a few pence over the benefit level. The margin is too narrow I realise there have to be rules and regulations but I do think a bit more thought and consideration *could be given without* squandering money."

She would definitely support moves for higher pensions but dismisses Labour's promise of doubling them. "It's still got to be paid for. There has to be a limit."

Pensioners, of course, have long memories. As Mrs Green sees it, Labour in power "wasted so much money, spent it like water."

Labour gave way to pressure from the unions too *frequently*. "We got an awful lot of money. I used to think at the time, we're pricing ourselves out of a job, if we're having these big increases the price of the product will have to go up and jobs will go."

Mrs Green describes the present high level of unemployment as disastrous. "But," she says, "we can't make people buy our products if we don't produce at the right quality and price. We saw inflation at 23-24 per cent. It is vital to keep it down."

With the one reservation that "surely something more could be done" about the jobless, she is, overall, satisfied with Mrs Thatcher's policies and performance.

"A change would be worse. We don't know what the Alliance policies would be and Labour is too far to the Left."

Robert Manwaring, 72, from Morpeth, Northumberland, sees the unemployment rate as historically inevitable.

"What we have to accept is that we are always going to have three million plus without jobs. It's a new industrial revolution. Computers do the jobs of hundreds."

Mr Manwaring worked for Blue Circle Industries for 51 years, starting as a junior clerk and retiring in 1979 after spending the previous 18 years in Newcastle as a sales representative. He continues part-time consultancy work. He and his wife, Joyce, have two children, seven grandchildren and four great-grandchildren. He is an unswerving Tory.

"The other parties promise so much and do so little. The Tories have the brains, they have the knack."

He admires plain-speaking and tenacity. "This government doesn't waver or change. They say what they're going to *do and* stand by it."

He, too, speaks plainly, placing great emphasis on a controlled society: "Privatisation is a good thing, it controls the staff" . . . "this Government has controlled the welfare state better than the others, there are a lot of scroungers about" . . . "the teachers have got to be told what to teach, now that they've been told what they will be paid."

Winifred Green: room for more thought.

While stressing that his generation "had to move to where the jobs were," Mr Manwaring concedes the imposibility of buying, with the proceeds of a house sale in *Northumberland, a similar* home in the south. It would be fairer, he says, if more companies were strongly encouraged by the Government to come to the north.

He thinks the state pension is inadequate — "no one can live on it" — but believes the Government does what it can. "Every section wants more and more money. Labour's proposal to double the pension is just a gimmick. They would double *taxes to pay for it.*"

To George Carter, a retired head teacher from Pinner in *Middlesex*, the most striking development of the Thatcher years has been the widening gulf between the haves and the have nots.

Mr Carter, 70, still closely involved with teachers' associations since his retirement in 1979, has seen it happen in his own profession.

"There has been a dramatic decline in the provision of money and facilities to schools since this Government came to power. School buildings are in a state of dereliction. They're short of text books." In deprived areas the schools were effectively discriminated against because they had no wealthy parents to contribute funds.

Mr Carter taught maths and science in north Kensington, London, schools for over 35 years. He has never been a member of a political party but since his youth he has favoured "a fairer distribution of the goods of the world."

The welfare state, he feels, has fared badly under Mrs Thatcher. "It is totally unacceptable that people who are *so ill that they are in pain* should be kept waiting for hospital treatment for two, three years."

His wife, Ivy, waited long months for two hip replacement operations a few years ago, crying at night with the pain.

"It's much worse now. People wait years.

"All those wonderful benefits people paid in for under the NHS have been fraudulently taken away from us. A private company wouldn't dare to change the terms of a policy after payment—but this Government has.

"It's the same for the unemployed. They have gradually reduced the availability of jobless benefit."

Mr Carter has always voted Labour but he has not held previous Conservative governments in the contempt he reserves for Mrs Thatcher's regime.

"Macmillan, Heath . . . I thought they had a point of view. But everything this Government has done has been to the detriment of the nation and the nation's people."

Charles Bovingdon: "It's not that we want to live like Lady Muck. I'm just not used to being poverty-stricken."

Tinkering, rather than re-tailoring

THE CONSERVATIVES have tinkered with the Welfare State. They have not dared to abolish it. They have not even been able to reduce its cost. For in 1987 it remains more generous and far more expensive than anything the Labour government of 1945 envisaged—although much more tight-fisted than it was in 1979. The Tories have also tried to make it better-managed, with mixed results. What they have not really attempted is truly radical change of the kind associated with the New Right.

To some this might mean the abolition of social security, or the end of the National Health Service and its replacement by private medicine. Neither is happening. It is true that many of Mrs Thatcher's supporters, and some of her advisers, feel in their bones that many welfare beneficiaries are scroungers. Such an outlook was read into an internal policy document that was leaked just before the 1983 election. But it was quickly perceived that the weight of public support for the Welfare State is too heavy to override. In essence, that remains the position, whatever the private inclinations of some ministers and advisers. So tinkering is all that is left. The events of the past seven years bear this out.

Take the NHS. Certain advisers to the first Thatcher government wanted to do more than tinker. Some wanted to stimulate the growth of private health insurance, as private pensions are being encouraged now. The number of *people* insured for medical care did shoot up in the early years but growth has slowed recently. Even among professional and managerial folk fewer than a quarter are covered; for the population as a whole the figure is not much above 8 per cent. And medical insurance provides mainly add-on services to the basic NHS. Other advisers considered abolition of the tax-based system and its replacement by a fully insurance-based service, operated by employers (as in most of Western Europe).

These were live issues in 1979-82. But natural caution prevailed. When a senior Tory recently suggested radical change in the NHS to the Prime Minister the reply was: "Everything in its turn."

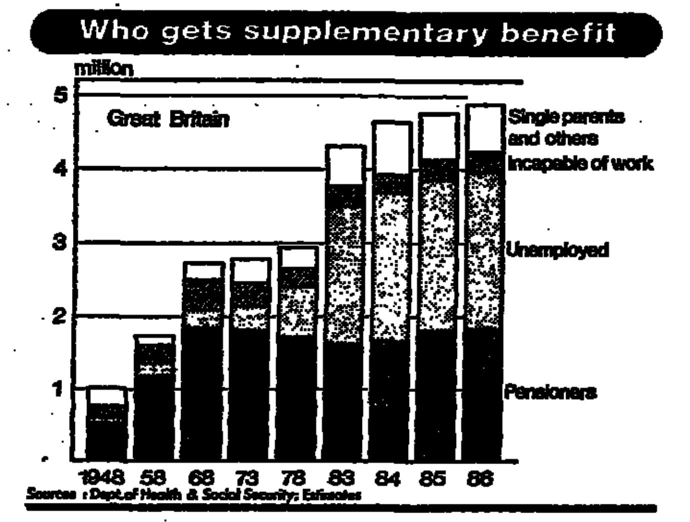
Mere tinkering has not made a lot of difference. Together with personal social services, the NHS absorbed 13.9 per cent of public expenditure in 1978-79. Its share is 15.1 per cent today and heading for 16 per cent at the end of the decade. The Government can point with justice to various successes: more treatments of various *kinds; 1m more* in-patients and 3½m more out-patients served, more new buildings being erected, and now even a start made on waiting lists. All of these are regarded as increases in efficiency. Managerial initiatives are said to have achieved cash savings currently running at over £400m a year.

But there are serious and heart-rending failures. In December the Audit Commission criticised the "slow and uneven" in building up community care, particularly for the mentally ill, while the reduction of their hospital facilities proceeded apace. The available evidence suggests that, in holding the growth of expenditure, the Government has not properly made up for demographic or managerial changes, or for higher-than-planned wage settlements, or for the painful shift of resources from London to the regions.

Britain still spends less on health than any other Western European country and far less than the US (although its people are not particularly less healthy). Many hospitals are, however, shabby. Much equipment is inadequate. Many staff are demoralised. People still wait too long for treatment. The NHS has become the down-market health service of the industrialised West. But it was rather like that when the Tories came to power. Arguably, it was just less efficient then.

The tinkering with the rest of the Welfare State has been more extensive. This is best perceived by going back to the foundation-stone: a report

Who gets supplementary benefit



Sources: Dept.of Health & Social Security; Estimates

entitled Social Insurance and Allied Services *written* by Sir William Beveridge and published by the wartime government in 1942. It is still a best-seller: the Government's latest reprinting, dated 1984, costs £10.85. Perhaps that is because it is such a good source of ammunition when Socialists press for more welfare payments—or when Conservatives argue for less. Sir William was, after all, a Liberal.

His aim was a comprehensive system that gave "freedom from want" (that is, enough for subsistence) to everyone. A national minimum income should "leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family." It was to be a flat-rate payment, based on flat rate contributions: "first and foremost, a plan of insurance." Mrs Thatcher herself could hardly have expressed it better.

When the post-war *Labour* government brought in National Insurance it was more generous than Beveridge. Even so, the extent of the commitment that that government must have had in mind was minuscule compared with what we have today. This can be seen in the chart: the Welfare State started life as a prop for the old at a time of full employment.

If, say, Labour's tough-minded Chancellor of the day, Sir Stafford Cripps, could have foreseen the most recent lines on the chart he would no doubt have been horrified. The number of pensioners has doubled —yet they are more than matched by the unemployed claimants—and the whole is topped up by an increasingly large contingent of single parents. The budgetary effect would have seemed astounding: in real terms, social security spending grew fivefold between 1949-50 and 1984-85 and doubled its share of total government expenditure in the same period.

Even today the best the Conservatives can hope for is a levelling-off. In 1978-79 social security absorbed 25.6 per cent of public expenditure. In 1986-87 that figure was 31.1 per cent. In spite of a good deal of trimming and squeezing it is now projected to be 31.6 per cent at the end of the decade, assuming no change in the level of unemployment.

Trimming and squeezing? Figures obtained from Richard Cracknell of the House of Commons Library by Frank Field, Labour MP for Birkenhead, suggest that current spending on social security would be some £2.8bn higher if it had not been for changes made by the Conservatives since 1979. (The calculation, to be found in Mr Field's recently updated book, Freedom and Wealth in a Socialist Future, looks like an underestimate). Most of the trims and squeezes fall into two groups: removal of the more generous formulas introduced by Labour in 1966 and 1974, and privatisation of some pens*ions and* all *sickness* benefits.

In 1966, for example, the then Labour government abandoned the flat-rate priciple proposed by Beveridge and appended earnings-related supplements to unemployment, sickness and various other payments. The Conservatives reduced these in 1981 and abolished them in 1982. In 1974 Labour tied the annual increases on long-term benefits such as pensions to whichever was the higher of two measures — prices, or earnings. The effect on beneficiaries at a time of high wage inflation was magical.

The Tories broke the link in November 1980; now upratings need only be in line with prices. This is mean by the standards of 1979, but not by the subsistence-level standards of Sir William. In 1983 they broke another link: Labour had instituded the practice of forecasting inflation at the time of the Budget and paying out the estimated increases from the following November. The Tories went back to using the actual record of the year to May, to be applied in November. From this year they have shifted the goalposts again. The general increase in the 10 months to April 1987 is to be a measly 2.1 per cent.

In fact nearly all social security upratings have been just above the barest minimum, when measured against the increases in the retail prices index. The index itself rose by 90 per cent between November 1978 and the last, transitional, increase in July 1986. Most benefits rose by 90 something per cent in the same period: supplementary allowances, for example, by 92 per cent and retirement pensions by 99 per cent (married couple). Only three benefits—mobility allowance, family income supplement and the one-parent benefit—more than doubled. Child benefit remained a step behind inflation. It remains to be seen whether it *will survive a third Conservative* term.

None of this has been sufficient to keep the real cost to taxpayers in check. In the five fiscal years to 1986-87 it rose by 22 per cent, or some £8bn at 1986-87 prices. Just over half that increase is accounted for by higher average payments (upratings, plus a move of more people into higher-paying benefits, plus more discretionary grants, etc). Most of the rest is accounted for by rises in the numbers of pensioners, the disabled, the unemployed, and single-parent families.

It is hardly *surprising*, therefore, that other ways of keeping the cost down have been tried, the most notable being the privatisation of sickness benefit and pensions. Initially, the responsibility for the first eight weeks of statutory sick pay was passed to employers. In April 1986 the obligation on companies was extended to 28 weeks. State sickness benefit cost some £680m annually five years ago; it is projected to cost less than £100m from next year.

The big one is, of course, pensions. In 1975 the Labour government established a state earnings-related pensions scheme (Serps) whose projected cost to taxpayers from the year 2000 seemed *as outrageous to* the incoming Conservative administration of 1979 as the events since 1945 might have seemed to Sir Stafford Cripps. The Tories had the advantage of a crystal ball, in the form of actuaries' projections. They resolved to abolish Serps. This proved to be so politically difficult that instead the responsible Secretary of State, Norman Fowler, settled for making it less attractive—while making the provision of private pensions more attractive. The process will be accelerated by the changes in the rules for private pensions announced in the Budget on March 17.

Mr Fowler has also sought to streamline future social security payments by a revision of the system that was advertised as a "new Beveridge." (Fortunately, the ghost of Sir William did not contact the Advertising Standards Authority).

Most of the "new Beveridge" merely continues the tinkering with the old one. Samples: last year the maximum period of disqualification from unemployment benefit was increased from six to 13 weeks. This year maternity pay, like sick pay before it, will become the administrative responsibility of employers. A new "social fund" will cover previously universal one-off payments such as maternity and death grants. Next April, assuming there is no accident at the polls, what was National Assistance 40 years ago and is Supplementary Benefit now, will be replaced by "Income Support."

The hope is that codification of the payments, and classification of amounts payable by client group (families, pensioners, or whatever) will make the system simpler, cheaper to administer, and free of expensive discretionary payments. Perhaps. Every previous such attempt has quickly sunk under the weight of exceptions.

"Wait a minute," some will protest. "All this is too kind. The Tories are out to destroy the postwar compact. Look at their latest proposition: that the dole should be withheld from young people who decline to go on training schemes." Well, look at it—against Beveridge, paragraph 19 (vii): "Unemployment benefit . . . will normally be subject to a condition of attendance at a work or training centre after a certain period.'

The worst that can be said by welfare supporters is that the Conservatives have eradicated the generosity of the 60s and 70s. Critics from the other side can say that they have failed to reduce costs. Either way, the Welfare State marches on.

Tomorrow: Charles Leadbeater on unemployment.

A DISGRUNTLED brigade of its daily army of passengers has yet to see the benefit, but British Rail is changing for the better.

Under the electrifying stimulae of a cutback in its government subsidy, a dramatic improvement in the quality of service offered by British Airways and other airline rivals, and an onslaught of deregulated coach competition, the UK's national railway network has started to break out of its traditional inefficiency and bureaucracy.

BR's budding regeneration owes a lot to all the usual tools of corporate renewal: tougher management, tighter structures and procedures, and, to some extent, employee retraining.

An unusual extra weapon is now being added: the more conscious use of design, not just as a gesture to BR's customers, but as a central element of the organisation's decision-making processes. The plan is to turn design into an even broader management tool than it has become at many other European companies which have recognised its commercial value during the 1980s.

The challenge is a daunting one. BR runs one of the world's most complex and intensive transport networks, especially in London and the south-east of England. In some parts of the country standards of comfort and timekeeping have improved in the past few years, especially on long-distance routes, but too much of this sprawling system is still a hotch-potch of lacklustre services, with an unco-ordinated and tarnished image.

BR's top managers now argue that unless design is given much greater priority—in far more than just visual terms—none of the other renewal initiatives which have been taken, and are still to come, can be fully effective. They must all be closely linked. Further improvements in punctuality, cleanliness and staff performance must be reinforced by better design, and vice versa.

Sir Robert Reid, BR's no-nonsense chairman, rejects any suggestion that the upgrading of design is merely a matter of "tarting - up" trains and stations. Instead he sees it as "a very important initiative" within his all-round campaign to improve customer satisfaction.

Like marketing, Reid and his senior lieutenants want to see design reaching deep into virtually every aspect of the railway's operations, and giving them extra cohesion. From uniforms to ticket counters, buffets to seating, carriage

British Rail

The design connection in corporate renewal

Christopher Lorenz on a drive to improve customer satisfaction

liveries to the design of the train service itself, they see design having a key role to play —not only in BR's relations with its passengers, but in the way different parts of the organisation relate to each other.

If design is managed properly, says Jim O'Brien, one of BR's two joint managing directors, "it involves getting the product, the service and the communications right. Everything that our customers see tells them something about the organisation." Design can thus act as a much more powerful discipline on management than many people realise, he argues. Among other things, "it can be a valuable integrating force" between different business units.

It is O'Brien who has been most responsible for BR's new commitment to design.

His main responsibility is for co-ordinating BR's five market-oriented business units, or "sectors." These cover InterCity (long-distance passenger services); Network SouthEast (London and surrounding area); Provincial; Railfreight; and Parcels.

Championing

O'Brien's championing of design occurred "by accident," he says. Part of his new job was to take over responsibility for BR's existing industrial design function, which had previously rested with a non-executive director of the board. "Having taken it on, I began to get excited about design's potential as a measure of management effectiveness. The more one understands design, the more one realises that it's not a fluffy extra, but is central to the thinking-through of every product and service one offers, and everything else one does."

To spread the message to BR's five sector directors, and the other senior managers who report to him, O'Brien began to involve them for the first time in the work of BR's Design Panel, which is composed of expert outsiders. In response to a Danish initiative, he also generated commitment by establishing a collaborative programme of work with the more design-minded Danish railway administration, DSB.

The programme was geared round two design conferences, which were attended by most of the senior executives from both organisations. The first, in January 1986, spawned a set of joint working groups to undertake a wide variety of specific action projects.

Though all of them carried the heading "design," they included the study of successful and failed marketing projects (such as BR's Travel Key charge card), as well as pilot schemes to improve the maintenance and housekeeping of trains and stations (such as gangs of cleaners called "white tornados" on Copenhagen commuter trains). Also included were more obvious design projects, such as the development of new train seating and more sophisticated criteria for station layout and design.

The working groups reported back to a second conference two months ago. Held in Copenhagen, it underlined the extent to which BR's senior maangers really do seem to have become committed to the importance of design, both as a way of getting "closer to the customer," and as a check on their units' own performance.

Ross Furby, BR's Director of Passenger Marketing Services, betrayed no resentment at the elevation of design to include projects which traditionally would have been seen as marketing territory. "Design in service industries is too superficial," he complained. "It must be total, covering all aspects of the service, not just the visual aspects of artefact and hardware design."

"Design is the means by which we express our strategy to our customers," the conference was told by Dr John Prideaux, Director of the high-profile InterCity sector. "You can touch it, taste it, see it, and test it against our competitors." InterCity trains were competing very well, he said, but station design had fallen badly behind and was acting as a deterrent to many travellers.

Hence recent improvements at several main stations, such as London's Waterloo, and the development of detailed specifications for the division of others into clearly distinct areas, in place of the confused clutter of ticket offices, retail shops and other facilities which so often exists at present.

Focusing on station maintenance, Chris Green, the new director of Network SouthEast, talked of the need to "lift the gloom." The programme he started last year to brighten-up most stations and rebuild selected ones has already started to pay off in higher traffic figures.

Improvements in the physical aspects of design and the railway environment were already helping to lift staff attitudes, Green said. But further staff training was also needed. One of the main lessons he had drawn from the joint study projects, he told the Danes, was that "you're far more professional than we are at training."

Less successful

This recognition has prompted O'Brien and his sector directors to start rectifying some of the omissions of a customer care and staff training programme which BR launched in 1983 under the title of "Customer First." As Reid says: "This was our first tentative step towards getting our staff to stop looking on customers under sufferance, and instead to see them as vital to the railways' future."

"Customer First" has been less successful than a parallel re-education programme at British Airways called "Putting People First." To some extent this is because the airline's task was easier: at 12,000, it has little more than a third as many front-line staff as BR; the average skill level of BR's staff is also lower.

BR also suffered greater budget constraints, which deterred it from installing the sort of in-depth training programmes which a Scandinavian-owned consultancy used so effectively at British Airways and elsewhere in Europe. O'Brien admits that "Customer First was more exhortation than training in specific actions." As a result many of BR's train and station staff have become more helpful to the customer, but in a very patchy manner.

For the passenger, the net result is frustration and annoyance. Put simply, there is little point improving the design of trains and stations if BR's management and staff cannot deliver the slicker performance that this leads the customer to expect. As Reid and O'Brien constantly emphasise, progress on both fronts is mutually reinforcing, and must go hand-in-hand.

Various initiatives are now being considered to improve staff training, among them the employment of the Scandinavian consultancy which helped British Airways. For the next year the Anglo-Danish collaborative projects will also focus on training and the delivery of better performance.

The less than complete success of "Customer First" has also had a direct impact on BR's new design policy, in that it has spurred O'Brien to ensure that, this time round, board strategy is reinforced with a whole series of specific procedures and mechanisms at all levels (see right).

He is also relying heavily on the practical example being set to their managers by Prideaux, Green and the other senior executives. They, in their turn, will be heavily dependent on the political skills and personal drive of BR's new director of architecture, design and environment, Jane Priestman. As O'Brien admits, "she has a tremendous task ahead of her."

Trevor Humphries

Jane Priestman: "...there's a lot that needs to be done very quickly."

Translating policy into daily practice

THE process of elevating design in British Rail's daily order of priorities began in earnest last November, with two key steps. First, a Director of Architecture, Design and Environment, 56-year-old Jane Priestman, was appointed, reporting direct to BR's joint managing director, Jim O'Brien.

Priestman is one of the few top-ranking corporate design managers in Britain; she was lured away from a similar role at the British Airports Authority, where she had been responsible for part of the modernisation of London's Gatwick and Heathrow airports.

BR's previously separate architecture, industrial design and environment departments were then merged beneath her. Architecture used to be part of engineering while industrial design and and environment were part of marketing. Now, in their newly combined form, they share equal status with both engineering and marketing, as support functions to BR's five business sectors.

Last month the BR board firmly nailed its colours to the mast by issuing its first-ever design policy statement. This stressed that design, in its widest sense, is "fundamental" to the efficiency of every aspect of the railway.

To give the new design function added clout, and the design policy cohesion, a much-strengthened design management control procedure is now being introduced at several levels, spearheaded by a policy committee comprising Priestman, O'Brien and three other board members, including the vice-chairman and the joint managing director in charge of engineering and operations.

This will meet monthly to ensure that design input is introduced into business projects at an early conceptual stage. It will also monitor current design projects.

A tiered structure beneath the policy committee, involving senior managers as well as outside advisers on several "design panels" and specialist working groups for each sector, will be gradually introduced over the next year. So will tougher procedures for the specification of the design aspects of locomotives and all the other equipment which BR buys from outside suppliers.

Priestman's department will shift its focus progressively from the provision of in-house specialist services (most of her 200-plus staff are architects) to acting as what O'Brien calls a "procurement executive" for outside consultants of all types. This is already the practice on the industrial design side, which contains only a dozen in-house designers.

From a purely visual point of view, BR's upgrading of its central design management is well overdue. For several years, its customers have been confronted by a bewildering proliferation of train liveries and brand "identity" exercises, not only for each sector, but also within them. In different parts of the country the provincial sector sports a bevy of blues, greys, reds, creams, browns, greens, purples—almost every colour of the rainbow. Each is intended to create a local pride of ownership among passengers and staff, but the overall effect is unco-ordinated.

Justified

Nor has the introduction of new liveries always been well managed. Last year's double-quick launch of Network SouthEast was justified by the urgent need to attract more passengers at off-peak hours. But many passengers and BR managers complained about the garish blue used in the rushed-through livery.

One of Priestman's first tasks has been to tone down the harshness of the blue and to improve the balance between it and the other colours in the livery: red, white and grey.

Similar problems have affected the shape and detailed design of locomotive cabs and other products supplied by outside manufacturers.

In almost every aspect of BR design, from station forecourts to ticket halls, waiting rooms to carriage interiors, Priestman says "there's a lot to do. Some of it will take time, but there's a lot that needs to be done very quickly."

هكذا من الأصل

BUSINESS LAW

Insurance: a time to do business

By A. H. HERMANN, Legal Correspondent

THERE ARE two ways to protect the insured's or the insurance seeker's interests: one is by vigorous competition among the insurers and the other by state regulation of the insurance industry.

Historically, the UK took the first road, the only one open to a world trading nation. Germany, like most Continental countries, took the path of regulation.

It resulted in government supervision not only of the solvency and a managerial efficiency of insurers but also of screening and approving the terms of standard insurance policies for the benefit of the insured. In the field of fire insurance, the only mass insurance before the advent of the motor-car, this paternalistic attitude led to the establishment of state-owned insurance organisations controlled by the Laender and operating in each of them as a monopoly.

These differences in historical approach are so great that English and West German experts often find it difficult to understand each other, even if they both speak either English or German. While institutions and their supervision still differ greatly in their form and concepts, the actual differences in operation and in the market are being gradually eroded.

In the UK, a number of institutional insurers are in no way different from their West German counterparts and Lloyd's itself is no longer a place of vigorous competition between syndicates of insurers.

WEST GERMANY

In West Germany the original aim of protecting the insured has been eroded as private households, small farmers and small businesses have been joined as insurance takers by large enterprises, whose interests often span the world.

These large enterprises have their own insurance departments dealing directly with the insurers. They are perfectly able to look after their interests and need no nanny to look after them. These big enterprises are also allowed to contact foreign insurers without any great difficulty. One-off insurance contracts which result from the initiative of the West German insurance taker are considered by West German law to be outside the regulatory framework.

The majority of insurance seekers, however, have to go through brokers. It is a criminal offence for these brokers to place insurance abroad, that is with a foreign insurer who is not established in West Germany.

Looking at the same problem from the other side, a foreign insurer intending to do business in West Germany on a continuous basis will need to equip his local broker with binding authority to write policies on his behalf. Such a broker will be viewed by the German authorities as his agent.

According to the insurance supervision law as amended on March 29 1983, all Community insurers—with the important exception of transport and marine insurance—wishing to do business in West Germany through salesmen, representatives, agents or other intermediaries, must be established and authorised in West Germany. This, together with the prohibition on brokers to contract insurance for risks located in West Germany with outside insurers, has now become not so much a measure for the protection of the insured against the powerful insurer as a measure for the protection of the West German insurance market against the penetration of insurers from other member states. This is felt most in the UK, the country with the most developed insurance industry.

Though the European Court in its recent judgment on coinsurance (in case 205/84) distinguished between the requirement of establishment which it finds incompatible with the EEC treaty and the requirement of authorisation which it finds more acceptable, the second can be hardly met without the first, if all commercial documents relating to policies, separate accounts and technical reserves have to be located in West Germany.

Moreover, such a foreign insurer after going to the expense of such an establishment may be at a certain disadvantage when seeking the approval of the terms of his policies. These are now negotiated between associations of West German insurers and the supervisory office so that the policies of individual insurers can be certain of approval if they conform to the model agreed with their association.

A certain concession to foreign insurers wishing to participate in large-scale insurance contracts has been obtained by the EEC coinsurance directive 78/473. However, in implementing this directive, the supervisory office fixed very high thresholds for contracts benefiting from this directive. Thus, to benefit under the coinsurance directive, the policy insuring against fire, other damage to property and miscellaneous financial loss must not be for less than DM 125m (£42.4m). Aircraft liability has a threshold of DM 75m and general liability policies benefit from the coinsurance directive only if the insured enterprise has a turnover of at least DM 500m.

These thresholds are too high to allow a normal flow of business. In its complaint to the European Court, the EEC Commission said this, but later in the proceedings attacked the very existence of the thresholds. This change in pleadings was used as an excuse by the court for avoiding the issue altogether.

When adopting the coinsurance directive, the Council of Ministers left open the question whether insurers from other member states wishing to participate as coinsurers in a business in another member state might be required to establish local branches or to obtain local authorisation to do business. The council left this hot potato to the European Court.

In its coinsurance decision, the court held that West Germany was wrong in requiring the establishment and authorisation of the leading coinsurer. This, said the court, was not necessary in view of the co-operation between the supervisory authorities of member states established by the directive. Not only the requirement of local establishment but also that of authorisation was, said the court, contrary to articles 59 and 60 of the EEC treaty and, consequently, also contrary to the coinsurance directive.

The court took the view that in other situations the requirement of authorisation might be justified by the need to protect policyholders.

The West German authorities are now conducting an inquiry with their trade associations to find out what practical interpretations this ruling could be given. The court's judgment is a certain retreat from the proposal of the second insurance directive which would exclude all commercial insurance from the scope of mandatory rules of all the states in which the service is provided. The court found it impossible to make a general distinction between situations where protection is required and where it is not.

A second decision of the European Court (in case 45/85), finding against a West German fire insurance cartel, will be of greater impact because it clearly brings insurance under the EEC competition law. Though the insurance industry in West Germany is not entirely immune from West German competition rules, their impact is softened because their enforcement has to be agreed between the Cartel Office and the Supervisory Office for Insurance which, understandably, defends the interests of the insurance industry. In dealing with the specific case of the fire insurance cartel, the court did not adopt a radical line, saying merely that the recommended increase of premiums was more than was necessary to ensure the solvency of insurers, and did not leave room for cost competition.

The German authorities seem to be very pleased with the outcome of the Luxembourg litigation, saying that it requires very little change in their system. They expect that Lloyd's of London will now establish an office in West Germany. The representative of the Association of Lloyd's Insurers would be able to sue and be sued on behalf of its members. The Lloyd's office in Germany would have to keep a complete documentation of the policies issued but there would be no need to make the contracts in West Germany. These could continue to be made at Lloyd's in London.

This optimistic view taken by the German authorities is contradicted in London where it is stressed that no decision to establish an office in West Germany has yet been taken by Lloyd's.

Both parties think they have won in Luxembourg. I feel, however, that the two judgments of the European Court made the position of Lloyd's and of other EEC insurers wishing to expand their business in Germany more difficult. A reversal of these judgments cannot be expected in the foreseeable future. To expect greater liberalisation of the West German insurance regime from the Council of Ministers is unrealistic, both on their past performance and in view of the more critical attitude of the German public towards the EEC. The time may have come when a more aggressive commercial policy would bring better results than lawyering in Brussels, Berlin and Luxembourg.

Next week: economic crime.

APPOINTMENTS

هكذا من الأجل

New chairman for 600 Group

Sir Jeffrey Benson, vice chairman of THE 600 GROUP has been appointed chairman from April 1 1987, in succession to **Sir Jack Wellings**. Sir Jack will continue as a non-executive director and has indicated that he expects to retire from the board on June 30. **Mr Alexander Frank Masters** becomes vice chairman from April 1 in succession to Sir Jeffrey. **Mr Alan Walmsley** has decided to retire, and resigns from the board on April 5.

★

Mr Robert Marshall has been appointed director of support services, a new post at LLOYDS BANK, from July 1. At present senior general manager for information technology, Mr Marshall will be responsible for a range of activities including personnel, information technology, relocation and premises. Mr Marshall joined the Bank in 1965. He has held a number of management posts in merchant banking, Far East division of Lloyds Bank International and as chief executive of Lloyds Bank in Canada.

★

STAG FURNITURE HOLDINGS has appointed **Mr William Evans** as group managing director from April 7. He is managing director of Bucks.

★

XYLOGICS INTERNATIONAL has appointed **Mr George Jackson** as engineering director (international), based at its Milton Keynes research and development centre. He was research and development manager.

★

Mr Richard J. Hughes has been appointed a director and **Mr Neil Alexander** finance director of the PARK FOOD GROUP. Mr Hughes was managing director of the major subsidiary, Park Hamper Company. Mr Alexander was financial controller.

★

Mr Anthony John Lane has been appointed deputy director general of fair trading. He joins the OFFICE OF FAIR TRADING from the Department of Trade and Industry where he has been head of the international trade policy division since 1984. He succeeds **Miss Elizabeth Llewellyn-Smith** who is returning to DTI.

Mr Richard Searby, chairman of The News Corporation, has become chairman of News International. **Mr Rupert Murdoch**, who was chairman of News International, remains the company's chief executive. Mr Murdoch commented: "I am very pleased that Mr Searby is undertaking this role which will ease the weight of my growing responsibilities."

★

At PETROFINA (UK) the chairman, **Lord Hood**, is retiring and will not be seeking re-election at the annual meeting in May. **Sir Peter Hordern** will succeed him as chairman. Sir Peter, who is MP for Horsham, has been a director of Petrofina (UK) since May 1973.

★

Mr Stephen Pritchard has been appointed chief executive of BP's new £1m enterprise company D'ARCY DEVELOPMENT of Neath, South Wales, from April 27. He is currently with English Estates, the Government's Gateshead-based property developers. BP Oil formed D'Arcy Development last month. Its purpose will be to acquire and redevelop surplus land and buildings at the Llandarcy Refinery with the prime object of creating new jobs in the area.

★

TRINITY INTERNATIONAL HOLDINGS announce that **Mr Denis Lyddon** will retire as an executive director in April but will continue as a non-executive. **Mr Philip Graf** has been elected an executive director.

★

Mr W. Ian Green, a former deputy managing director of the Acrow group, has been appointed commercial director with the BROOKS group, Accrington.

★

Mr Jonathan Solomon has been appointed to the court of directors of CABLE AND WIRELESS as director, corporate strategy from April 1.

★

SANWA BANK, London, has appointed **Mr K. Tanimoto** as chief representative of its newly-opened Manchester office. **Mr S. Yokoyama** has been appointed senior manager.

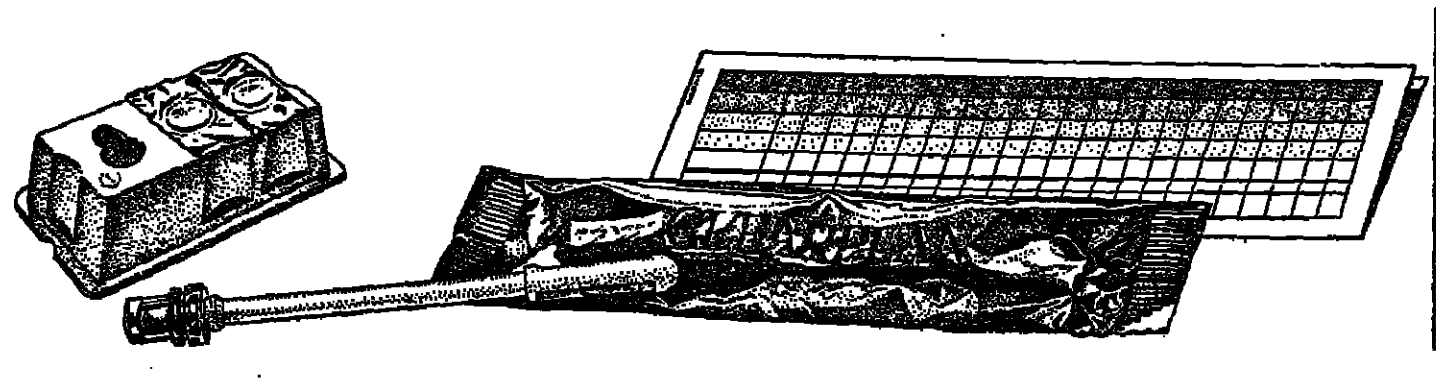
★

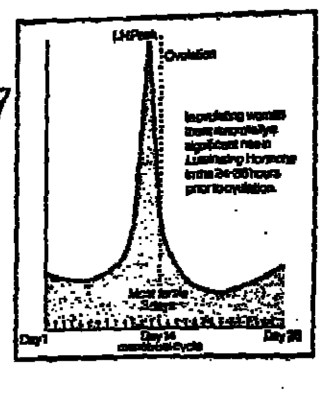
Mr Derek Meades has been appointed company secretary of HOSKYNS GROUP. He continues as group financial controller.

★

Mr Bernard Taylor has been appointed group managing director of THE SOLICITORS' LAW STATIONERY SOCIETY. He is managing director of SLSS's financial and city printing subsidiary, Oyez Press.

TECHNOLOGY





PRODUCT DEVELOPMENT AT UNILEVER

How a child star rose from obscurity

Jane Rippeteau looks at why the multinational ventured outside its mainstream business

IN A few days, salesmen for Unilever, the Anglo-Dutch consumer products group, will be nudging aside other products on pharmacy shelves to make room for a new medical test kit.

The product, called Clearplan, is one of several such kits, pioneered in the US, that allow women to find out conveniently at home when they are likely to ovulate. Many concerned with infertility expect the market to soar.

The product, and a predecessor pregnancy test called Clearblue, plunges Unilever into the market for home diagnostic kits — a potentially vast new business made possible through biotechnology.

The company is so excited about the business it believes it could one day become a seventh core of its massive empire. That may seem odd to outsiders who know Unilever best for such brand products as Birds Eye foods, Pears soap and Persil laundry powder.

At first, Unilever's top management thought so, too. But after months of badgering by an unlikely mix of corporate researchers and marketing people from an African trading unit, the board had a sudden change of heart. It came to see the business not as esoteric technology, but as the very type of consumer product it knows how to market so well.

Its decision, in late 1982, offers a dramatic example of what can happen when a vast, rich multinational such as Unilever decides to grab a laboratory bench project from obscurity and gamble on making it a star.

The project began in the 1970s, when Unilever's trading arm in West Africa saw a market for simplified diagnostics tests that could be used by small laboratories close to patients. The group went for help to Unilever's corporate laboratories at Colworth, a 1,200-acre former estate near Bedford in rural south east England. Some time back, researchers there had become involved in immunology to solve a problem in Unilever's animal feed line.

Dr Philip Porter, recruited from Northwestern University in the US to head the department, recalls that the subsequent discoveries at Cambridge University of monoclonal antibodies led him and his team — along with immunologists everywhere — to realise the technology might be used for simple, reliable diagnostic kits for humans. (The antibodies can target specific substances produced by the body.)

Before long, one application—pregnancy tests — appeared. But to Dr Porter, nobody was approaching the business with a consumer focus. "Most people were trying to adapt laboratory tests for home use," he recalls, "They were starting with the technology, not the user."

That gave Unilever an edge, he reasoned. He began working on applications for various Unilever businesses. "But Unilever is like a big elephant," he says. "We couldn't get anybody interested."

Except, that is, for the die-hard African group which kept up meagre funding at Colworth (operating companies can "buy" research from Unilever's corporate labs).

Eventually, at a regular board meeting in 1982, the British co-chairman of Unilever—then Sir David Orr — questioned the logic of having the company's medical diagnostics research running through its African trading company. An ad hoc committee was set up to investigate, and consider the corporation's strategy in this area. About the same time, the Porter team found an antibody specific to pregnancy, and which would work in the simplified test system it wanted to build.

"We were just about to make our report when Philip (Porter) said this technology could be used for pregnancy tests," recalls Sir Geoffrey Allen, Unilever board director and head of Research and Engineering. Despite competitors' leads, the prospect caught the board's imagination.

Twenty people, led by Dr Porter, were taken out of Colworth to form a core development team and a property

CLEARBLUE

in nearby Bedford was acquired as headquarters. Over 100 new people were hired to staff the operation, and a manufacturing line was set up. By early 1984, a new company, Unipath, had been born.

Its first product was launched by June 1985 and it was a winner. The pregnancy kit, Clearblue, now has over 40 per cent of the UK market, according to Unilever, and has just been introduced into the US. Dr Sue Cregson, scientific officer for the British Pregnancy Advisory Service, who is familiar with the half dozen such kits available, lauds Clearblue. It is "easier to read, more reliable and less likely to go wrong," she says.

Unipath was inspired by the success. By then, it had £6m in research funds for itself and a sister company, Oxoid. And it had its own dedicated stable of Colworth researchers. Unipath set off after the ovulation kit market.

Dr Keith May, Unipath research chief for the project (and one of the original team) had already instructed Colworth researchers to hunt for the needed monoclonal antibodies.

These antibodies are used to detect a surge in luteinising hormone, or LH, which triggers ovulation a day or so later. The tests are more complicated than yes-no tests for pregnancy.

Among any group of women, the timing and degree of an LH surge is very much a moving target.

Further, Unipath wanted to copy the successful format of its pregnancy kit. That meant retaining an easy-to-use urine sampling device (a specially-treated plastic stick with a cap) that it developed in response to intensive consumer research on women's complaints about urine collection. The sampler was also simple to read — turning blue, if positive—and did not require women to judge a colour change in liquid.

It also meant dispensing with the chemistry set-character of competing kits, most of which require a user to mix a powdered chemical into solution in a tiny test tube. Unipath

CLEARBLUE

wanted ready-mixed liquids, and each had to have at least a 12-month shelf-life.

Using bulk urine samples supplied by co-operating fertility clinics, Unipath set about testing dozens of Colworth antibodies. They could not hit the right combination.

In desperation, "we started calling around," outside Colworth, to independent suppliers of monoclonal antibodies, recalls Dr May. By April, Unipath had taken in 20 new antibody pairs from various suppliers in the UK, US and Europe. (A Finnish set won through in the end.) Out of the 20 pairs, four worked. They were set up in trial kits for storage tests. And to everyone's dismay, all failed. "None of the four were stable" beyond eight months, says Dr May.

The researcher and his team were about to learn a costly lesson. Mr John Bird, Unipath marketing chief, remembers the error: "Keith was sure what the problem was. He went into overtime on it. And he was wrong."

Dr May concedes he was blinded by a preconception of what was wrong, while ignoring other possibilities.

Unipath's test has a three-step format: first the sampler sits in a "well" while reacting with the urine to detect LH, then it is put into "well 2" for treating by a chemical called a reagent, then into "well 3" where it will change colour if positive. Dr May thought his stability problem was with the liquid reagent in well 2. "Dry reagents are stable," he says. "The trick is getting stability with liquid."

After three months of intense work, he was stuck. It was clear that the reagent itself was stable. As Dr May recalls, Unipath research and development (R&D) chief William Hornby reviewed the situation and said, simply: "Maybe this isn't the problem." He suggested a look at the sampler.

His hunch was right. Within six weeks, the real problem was solved. On Unipath's manufacturing line, the sampler is dipped in antibody, dried in an oven and packed in a foil pouch But just before it goes into the pouch, it is exposed temporarily to the ambient air.

On the particular days when the prototype samplers were made, humidity was so high that water had been absorbed by the plastic sampler, affecting its performance. "We did some quick experiments putting a drying agent in the packages," recalls Dr May. "The problem disappeared." By Christmas, verification tests were underway.

"We had committed a cardinal sin" in R&D management, says Dr May. And the product's launch date slipped well behind that of competing products, including "First Response" and "Discretest."

Volume manufacture of Unipath's Clearplan began at Bedford in February. According to Mr Bird, each kit gives a woman ten 30-minute tests, with which she first establishes her base LH level over several days and then tracks an upward surge as the sampler turns blue. Unipath is working to further simplify this and its pregnancy test.

Although a very new market, Johannah Walton, investment analyst at UK stockbrokers L. Messel, estimates the home ovulation kit business could reach £300m in annual world sales within five years. She says the £150m pregnancy test market is growing at 20 per cent a year.

But these figures show only a fraction of the wider business in medical diagnostics that Unipath is seeking. "Unipath has four product lines," says Mr Thomas Thomas, Unilever board director responsible for Unipath. In addition to pregnancy, fertility and contraception kits for the home, Unipath is working on diagnostic systems for infectious diseases, chronic diseases and cancer, he says.

The company, of course, is up against many competitors, including forefront biotechnology research companies. But Unileved is holding tight to the vision that initially drew it into the market: That its consumer focus—if not technology —gives it a competitive edge.

Medical diagnostics "is atypical in that it's outside of our usual businesses," concedes Sir Geoffrey Allen. But the kits are "over-the-counter products, and we've got lots of those."

OPINION STRONGLY DIVIDED ON OVULATION TEST KIT BENEFITS

TO THE marketing companies promoting them, home ovulation test kits promise to revolutionise the treatment of infertility—which afflicts one in six couples.

The tests, priced at about £28 for a one-month supply, are available over the counter. Since they tell a woman—within 30 minutes and with 98 per cent accuracy—when she is about to ovulate, she can time intercourse to coincide with the 12 to 24-hour period when she is fertile.

But expectations that this will help women struggling to become pregnant are described as dangerously misleading by some physicians.

"The kits should be banned," says Professor Robert Winston, head of fertility studies at London University and chief of a leading infertility clinic, at Hammersmith Hospital. "Women are led to believe they must have sex on a particular night. Timing with these kits risks sexual and marital disharmony."

Dr Sue Gregson, scientific officer at the British Pregnancy Advisory Service, says: "We spend half our lives trying to convince people not to try just one day."

Although the life of the egg after ovulation is just a day or two, sperm can live inside the female body for 48 to 72 hours, or possibly longer, according to experts.

Exact timing is unnecessary because "the overlap is huge," says Professor Winston. He adds that the tests measure a hormonal surge that triggers ovulation, not whether ovulation has occurred.

Dr Jack Glatt, a specialised gynaecologist who heads the Infertility Advisory Centre at London Bridge Hospital, says: "Not many couples have infertility problems because they are not getting the right day."

However, Dr Glatt does see important uses for the kits. Since ovulation is a common fertility problem, "the kit can be useful because a woman can monitor herself from home.

"There is a market for these kits," he adds. "But I fear the subfertile public may get carried away."

Swedes dial into desk-top facsimiles

By Geoffrey Charlish

THE SWEDISH telecommunications authority, Televerket, is to sell worldwide, through its Teli subsidiary, a compact desk-top unit that combines telephone and facsimile facilities and also provides data communications and copying functions.

The unit can send an A4 page in 25 seconds to other facsimile machines (group two or three). However, it also has circuits that will accept data from a personal computer and allow it to be printed out. These circuits will also enable data from the PC to be sent by telephone line. Finally, by fax-scanning an original, storing the information and printing it out again, the machine acts as a copier.

Normal telephone operation is enhanced by a memory holding 128 numbers for short-code automatic dialling.

Esprit puts across CIM message

THE EUROPEAN Commission is to hold the 1987 Esprit conference on computer-integrated manufacturing (CIM) in the UK, at Tatton Hall in Cheshire.

Esprit, the European strategic programme for research and development in information technology (IT), runs the CIM-Europe conference as part of its programme to promote awareness of the benefits of IT within industry. This year's conference, on May 19 and 20, will feature leading industrialists, engineers and information specialists.

INTERNATIONAL APPOINTMENTS

Top executive changes at Wheeling-Pittsburgh

BY DONALD MACLEAN

WHEELING - PITTSBURGH Steel Corporation, the eighth largest of the integrated steelmakers in the US, has announced the appointment of Mr Lloyd C. Lubensky, 64 as chairman.

Mr Lubensky, the largest shareholder in Wheeling-Pittsburgh steps into the new post as Mr George A. Ferris, 70, steps down as vice-chairman and chief executive.

The management structure of the company, which is in Chapter 11 bankruptcy proceedings, is left unclear.

Mr Lubensky bought the major shareholding in the company from Mr Allan E. Paulson in early January, and resigned the chairmanship. This led to Mr Ferris, Mr Lubensky and Mr John P. Innes making up an executive committee to conduct the day-to-day running of the company.

Mr Lubensky is president of American Jet Industries, the offshoot of Ryder System. In his post as chairman of Wheeling-Pittsburgh he is concerned with the reorganisation plan for the company which is due to be presented in court on June 9, under the Chapter 11 system.

He also takes on the post of chairman at a time when Wheeling-Pittsburgh is involved in a joint venture with Nissbin Steel, the Japanese specialist steeymaker, which has held 10 per cent of Wheeling since 1984.

Under the joint venture plan, Wheeling, which has lately cut its workforce from 9,000 to 7,500, is to be involved in the setting up of a greenfields plant in Follanbee, West Virginia, carrying a sheet steel coating line and other specialist steel operations, offering to supply the motor vehicle and other industries.

Wheeling has been in heavy losses, taking substantial write-offs on discontinued operations. It claims, nevertheless to have full order books for the first half of this year, and it expects operating profits for the first quarter to match more or less the $30m of the fourth quarter of 1986.

Finance head for GM Europe

MR LOUIS R. HUGES, 38, has been named vice president, finance of General Motors Europe. He takes over from Mr Richard E. Durkin, 54, who recently returned to General Motors in the US as group director of finance for the Chevrolet, Pontiac, GM of Canada (CPC) group.

Mr Hughes was previously vice president of finance at GM of Canada, after having been an assistant treasurer of General Motors Corporation from 1982 to 1985. He helped to negotiate General Motors' joining with Toyota, of Japan, to establish a venture in California.

* * *

HERCULES, the Delaware Group with interests in chemicals, aerospace and other fields, has appointed Mr David Hollingsworth as chairman and chief executive, in succession to Mr Alexander Giacco, who is to retire on April 1, reports Reuter from Wilmington.

Hercules has also appointed Mr Fred Buckner as president and chief operating officer, and Mr Arden Engebretsen as vice chairman and chief financial officer.

Hercules expects a new product, Synpulp, to grow into a$100m a year business over the next five years. Metton, another new product, is expected to yield $30-500m a year by the late 1990s.

Yamaichi chairman steps down

MR HISAMITSU UETANI, 75, chairman of Yamaichi Securities Company, one of the Big Four Japanese Securities houses, is to step down on April 1 and will assume the role of director and adviser.

Mr Uetani says that the chairman's post will become vacant for an interval, following his retirement. Mr Uetani has served as chairman for the past seven years, having assumed the presidency in 1972.

Aegon makes board move

THE AEGON insurance group of The Hague has announced the appointment of Mr L. J. M. Berndsen, 44, now chairman of the executive board of NV Interpolis, as a member of its executive board from May 1 next year.

Mr Berndsen is to join Aegon on July 1 this year, as advisor to the executive board. In a move to widen his experience of Aegon's international activities, Mr Berndsen is to move to the US.

The appointment means that the executive board membership increases to six.

Mr Berndsen joined Interpolis in 1972 and was appointed chairman of the executive board in 1981.

New chief for Inco engineering arm

Mr Ian L. Dillamore, who takes up an engineered products post at Inco

MR IAN L. DILLAMORE has been appointed managing director of Inco Engineered Products, the subsidiary of the Canadian metals concern. He takes over from Mr I. David Balchin, who took up a post as executive vice president of Inco, the parent, at the beginning of the month, and is to move to the parent's head office in Toronto in July.

Inco Engineered Products is in the business of forging and precision machining of high technology products made from nickel-base alloys and other advanced materials. It encompasses the Doncaster companies and Beaufort Engineering in the UK and SETTAS in Belgium.

It manufactures products to meet needs in aircraft and industrial turbines and in military, marine, energy and other engineering applications.

* * *

ERNST & WHINNEY, the international accountants, have announced the appointment of Mr Paul F. McMahon as executive partner of Ernst & Whinney International. Mr McMahon is a management consultant.

Mr McMahon, who is to be based in the executive office of Ernst & Whinney International in New York, has been a vice chairman of Ernst & Whinney International since 1984, when he held resposibility for management consultancy services. He was previously based in Brussels as the partner in charge of the concern's Central European management consultancy practice.

* * *

COCA-COLA Company, the Atlanta-based soft drinks and entertainment group, has announced that Mr Eugene V. Amoroso has resigned as president and chief executive officer of the Coca-Cola foods division to pursue other business interests.

Mr Harry E. Teasley, Jr, who had headed its bottling subsidiary serving southern England, it to succeed Mr Amoroso.

Accountancy Appointments

Accountancy Appointments

FINANCE DIRECTOR

City — from £50,000 + Car + Benefits

A leading Scandinavian Bank which has experienced considerable growth worldwide, but especially in its London activities, wishes to appoint a Finance Director. The bank is highly active in the money and capital markets and offers a wide range of instruments and services.

The Finance Director will have overall responsibility for all financial and management accounting and will liaise with the Bank of England on all regulatory matters and with the parent bank. He or she will also work closely with the Bank's management committee advising on future financial strategy and procedures. In addition, there will be a degree of involvement in information technology and operations.

Candidates must be chartered accountants and are likely to be currently in a senior role with a UK, US or European bank active in the capital markets.

This is a 'key' appointment in an expanding and progressive environment and requires strong interpersonal skills and a confident but flexible management style.

Please write, in confidence, quoting reference U2445/2/L to Valerie Fairbank, Executive Selection Division.

PEAT MARWICK

Peat, Marwick, Mitchell & Co.,
165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

The bottom line for ambitious Tax Specialists

&CO

For many the 'bottom line' will be finding an interesting, challenging and varied role, for which they will be well rewarded. We can offer the immediate prospect of earning up to £30,000 and the opportunity for rapid development to partner. Whether you're a manager, assistant manager, or supervisor, its hard to ignore the fact that you could well go further, faster, as one of our valued tax advisory team.

You'll be in an influential position, servicing your own group of clients. What's more, the majority of your work will be tax and business consulting – providing interest and continuous intellectual challenge.

In terms of training, you'll find our commitment to your development is second to none. We devote time, effort and expense to meet your individual requirements.

As for our requirements, we are looking for business-minded chartered accountants in their 20s and 30s, who are keen to work as part of a cohesive, friendly team constantly exchanging knowledge and ideas. You will be able to obtain the very best from your own ability and find real job satisfaction.

We believe that the opportunities in tax with Arthur Andersen are exceptional. Why not see for yourself by spending time with us, talking to a cross-section of our team.

As a first step to an opportunity that's not just better, but better by far, write to: Richard Gould, Assistant Personnel Manager – Tax, Arthur Andersen & Co., 1 Surrey Street, London WC2R 2PS or call him on 01-438 3479.

ARTHUR ANDERSEN &CO

OFFICES IN ABERDEEN, BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM AND READING.

Financial Controller (Director Designate)

c. £20K + bonus + car — Manchester area

Our client, a member of a large, well known public group, is a successful and expanding company with a £3½m turnover and approximately 100 employees.

The Financial Controller will be responsible for the complete financial function including the co-ordination and control of all forecasting, accounting and costing activities. Working along-side the M.D. you will also provide the financial data required for the management and development of the company.

A qualified Accountant or someone with relevant industrial accounting experience is sought. You should have a successful track record within a manufacturing environment managing a financial function.

Experience of computer based finance systems is essential. The ability to work within a participative style management team contributing to the broader range of business functions is a firm requirement.

This is an excellent opportunity to join a dynamic company in a key position at a very interesting stage in its development. Terms and conditions are excellent and include a profit related bonus and a 2 litre company car. Relocation expenses will be available as appropriate.

Please send full CV, which will be forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent). *Ref: B9503/FT.*

PA
PA Advertising

6 Highfield Road, Edgbaston, Birmingham B15 3DJ
Tel: 021-454 5791

Ambitious Accountant

Major UK Financial Services Organisation

London Area — to £25,000 + Car + Mortg Sub.

Our client is a member of one of the UK's largest financial and banking institutions and a leading organisation in their own right.

Following the successful launch of the Company's mortgage business, an Accountant is now sought to provide a dedicated accounting service for this new business unit. Reporting directly to the Financial Controller responsibilities will include:

- A commercial assessment of changes in the market place and their impact upon the existing product range.
- Analysis of product profitability.
- Financial advice to sales and marketing functions.
- Ongoing development of the finance function.

Applicants should be qualified accountants, preferably graduate, aged 28-35 and should be able to demonstrate a successful track record at a managerial level within a progressive environment.

This highly commercial and challenging role offers excellent opportunities for career progression within the group.

Personal characteristics should include strong interpersonal and communication skills and an outgoing personality.

Interested applicants should contact John Zafar on 01-831 2000 or write to him enclosing a comprehensive curriculum vitae, quoting ref: HCN 1003, at 39-41 Parker Street, London WC2B 5LH.

MP
Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

FINANCIAL CONTROLLER

ATTRACTIVE AFRICAN LOCATION — GENEROUS EXPATRIATE PACKAGE

A major international marketing organisation with offices in London is seeking to appoint a Financial Controller for secondment to an overseas operation which has a turnover in excess of £200 million. The location offers an attractive living and working environment and excellent family/social activities.

Following approximately eighteen months induction and project management activity in London, the successful candidate will take up the appointment as Financial Controller. Reporting to the General Manager as part of the Senior Management team, you will have responsibility for all financial aspects, contribute to strategic decision making and represent the Company at a senior level.

A qualified ACA or ACMA, aged 30 to 45, you will have line financial management experience, with an emphasis on costing and budgetary control. Exposure to a production environment and previous overseas experience would be advantageous. Personal qualities must include integrity, organisational ability and highly developed interpersonal skills.

It is envisaged that this will be a career appointment upon the successful completion of overseas duty.

Please reply in confidence, giving concise career, salary and personal details, quoting ref: L187, to Martin Lawless or Heather Male, Slade Consulting Group (UK) Limited, Metro House, 58 St. James's Street, London SW1A 1LD. Tel: 01-629 8070.

London · Melbourne · Sydney · Brisbane · Adelaide · Perth · Auckland · Christchurch

SLADE CONSULTING GROUP (UK)

FINANCIAL DIRECTOR

N E London — 20K NEG + CAR

A well established printing group currently undertaking a substantial investment programme. The business (to/of£4m) now requires a strong and commercial minded Finance Director.

A qualified Accountant—preferably with manufacturing/printing experience, he or she will possess the authority and professional expertise to manage the Company's financial and commercial activities and make a major contribution at Board level. Computer literacy is essential as is the flexibility to handle strategic as well as day to day issues. Full Directorship to be offered within twelve months.

Salary negotiable to around £20K, plus motor car and other benefits.

The Company is located in Hainault, Essex, with convenient access to the North Circular, M11 and M25 motorways.

Please write with full c.v., to: A CONROY, Conroy Tobin, 7 Staple Inn, Holborn Bars, London WC1V 7QN quoting reference AC/13041/Staff

FINANCIAL CONTROLLER

c£35,000 + car + benefits

ACAs 30–40 — Central London

Our client is a "top forty" firm of chartered accountants which is seeking to recruit a Financial Controller to take full responsibility for all financial aspects of the practice, plus partnership secretarial duties and administration

The role will cover financial and management accounts for London and other offices, annual budgets, variance analysis and investigation, costing and accounting procedures, involvement in taxation, control of the firm's computer, partnership meeting minutes, treasury matters, administration and various special projects. In addition, he/she will control three accounts staff and secretarial support.

Candidates (male or female) should have relevant experience in commerce/industry, or be at senior manager/consultant level in public practice. First class academic and technical skills should be allied to experience of computer modelling and proven staff supervision ability. Candidates should have the potential and personality to achieve partnership status in the medium term.

For more information, please contact **George Ormrod B.A.(Oxon)** or **Stephen Hackett B.A.(Oxon)** on **01-836 9501** or write with a copy of your C.V. to Douglas Llambias Associates Limited at our London address, **quoting reference no. 7535.**

FINANCIAL & MANAGEMENT — RECRUITMENT CONSULTANTS
DOUGLAS DLA LLAMBIAS
LONDON LIVERPOOL MANCHESTER — ABERDEEN EDINBURGH GLASGOW
DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R ONS
TELEPHONE: 01-836 9501

FINANCIAL CONTROLLER

Central London — Package to £30k + Car

Our client is a leader in specialist media advertising, managing thousands of sites throughout the UK and at International Airports throughout the World. Rapid growth and acquisition has led to the requirement for an innovative Financial Controller who will grasp the challenge that this brings.

The appointee will have demonstrated commercial acumen, high levels of computer literacy and excellent man management skills. As an assertive and decisive individual, your problem-solving approach will ensure that optimum results are achieved quickly and efficiently. You will have the maturity and diplomacy to interact well with all levels of staff.

If you are a qualified accountant, under 35, with a minimum of 3 years pqe in the service industries, and believe that you possess these wide-ranging skills please write with a full CV to **Carol Saunders** or **Malcolm Edgell F.C.A.**, Douglas Llambias Associates Limited, at our London address **quoting ref. 7536.**

FINANCIAL & MANAGEMENT — RECRUITMENT CONSULTANTS
DOUGLAS DLA LLAMBIAS
LONDON LIVERPOOL MANCHESTER — ABERDEEN EDINBURGH GLASGOW
DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R ONS
TELEPHONE: 01-836 9501

CHIEF ACCOUNTANT

EXCELLENT PROSPECTS WITH AN INNOVATIVE HI-TECH GROUP

BERKSHIRE — £24,000 + CAR + BONUS

A graduate Chartered Accountant, aged 28-33 and with high potential, is sought by a successful, medium sized public group.

Reporting to the Group Finance Director, the role will include all interpretive group financial and management reporting, plus treasury management, strategic planning, systems enhancements and company secretarial administration.

The Group, which employs around 200 people, is enjoying sustained organic growth; selective acquisitions and high investment are designed to ensure continued profitable expansion.

Applicants should have trained with a major practice, have post qualification experience in a large industrial/commercial company and be able to offer stature, maturity and good communication skills.

To further your interest in this exceptional opportunity, please write briefly enclosing a comprehensive CV or telephone for a personal history form to J. Constable, quoting ref: 4860.

EXECUTIVE CONNECTIONS

هكذا من الأصل

Accountancy Appointments

Operations Manager

Investment Bank
City
c £30,000 + car and banking benefits

This new UK venture has the backing of a major European Bank and is poised to make a significant impact in London.

Reporting to the Financial Controller, you will be responsible for establishing and maintaining systems and controls.

You will provide full 'back office' support including; authorising transactions, reconciliations, settlements and the preparation of management information. You will also be responsible for providing the financial management expertise for the securities division of the venture.

Ideally aged in your late 30's, you should have a banking or accountancy qualification and experience within a banking or associated environment covering operations management.

This is a new job within a new venture and as such will offer the ambitious and talented candidate ample scope for future personal development. The job may also suit the older candidate who has a proven track record in operations management who would prefer to work in a young, high growth environment.

The salary will be negotiable and benefits will be appropriate to a position at this level within a banking environment.

Please send full CV quoting reference MCS/1028 to
Michael Madgwick
Executive Selection Division
Price Waterhouse
Management Consultants
No 1 London Bridge
London SE1 9QL

Price Waterhouse

Appointments Advertising

£43 per single column centimetre

Premium positions will be charged £52 per single column centimetre

For further information call:

Jane Liversidge
01-248 5205

Daniel Berry
01-248 4782

Emma Cox
01-236 3769

Operational Audit —Worldwide

retainable salary + full subsistence

An opportunity has arisen within a major Swiss multinational, for an ambitious outgoing chartered accountant seeking a move into commerce to broaden both professional and personal experience before moving into a more senior line management role.

This prestigious company of international repute has substantial manufacturing, sales, research and market interests throughout the developed world.

The international audit operation is managed as a single worldwide group with wide terms of reference encompassing both financial and operational audits. The position will involve a high level of international travel to operations within Continental Europe, Scandinavia, the Mediterranean countries, North and South America, Central and Southern Africa, etc., which will provide a unique insight into the management and operating conditions of the International Group together with a passing opportunity to see the world.

Applicants should be chartered accountants in their late 20's who are anxious to develop a career in commerce within a profitable and progressive group. The flexibility for personal mobility for international travel is a key job requirement.

The remuneration package reflects both the level and mobility of this appointment and provides an opportunity for capital saving. The role provides a substantial base for future career progression with predecessors now established in senior financial and general management positions.

Please apply in confidence quoting reference L 294 to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

CORPORATE FINANCE EXECUTIVE RETAIL

ACA 26-29 — **c. £28,000 + Car + Share Options**

Our client, a dynamic and highly regarded leader in the retail sector, has an immediate requirement for a professional finance executive as a result of rapid and prolonged expansion.

With record growth, new store development and diverse business applications, this major group is developing strategy to maintain its dominant and well respected position within the market place.

The successful candidate will join an elite, dedicated team to replace a key individual who has recently been promoted.

This high profile role will encompass involvement in fundamental business issues within the areas of Business Development, Strategic Planning and Corporate Financing.

The technical skills required for this position are most likely to appeal to an individual with strategic involvement within a fast-moving commercial organisation, having trained within a Big 8 practice.

In addition to their technical ability, the successful candidate must be a high achiever, who can display strong interpersonal skills and be motivated by a stimulating and challenging environment offering rapid career progression.

Interested applicants should telephone James Hyde or Keith Allen on 01-930 7850 or write, giving brief details, to the address below:

ROBERT • WALTERS • ASSOCIATES
RECRUITMENT CONSULTANTS
66-68 Haymarket London SW1Y 4RF Telephone: 01-930 7850

GROUP FINANCE MANAGER

F.D. PROSPECTS FOR A YOUNG PROFESSIONAL

c.£25,000 + BONUS + BMW — **READING**

Smallbone plc is a group of companies involved in design, manufacture, wholesaling and retailing in the top sector of the domestic interior design market. From its inception in 1980 the group has grown both organically and by acquisition to a current operating turnover in excess of £20m. The company was successfully floated on the USM last year and an American subsidiary has recently been established. This growth combined with ambitious future plans has created the need for a young (probably under 30) ACA/ACCA to work closely with the Group Financial Director in providing financial management across the group.

The successful applicant will be expected to provide both advisory and 'hands on' support in subsidiary companies including reporting, developing and implementing systems and involvement with acquisition activities. Within two years the Group Finance Manager should be capable of being promoted to Financial Director of a substantial subsidiary company.

Please send your c.v. to the advising consultant, Philip Bainbridge, ref 35043, MSL International, Pilgrim House, 2/6 William Street, Windsor, Berkshire, SL4 1BA, or phone him on (0753) 842044.

SMALLBONE PLC

Financial Accountant

Salary Range £12,198 - £13,227

The Welsh Development Agency is charged with the task of helping to regenerate the economy in Wales and to improve its environment. It promotes Wales as a location for investment, provides finance for industry, owns and develops industrial estates, reclaims derelict land and provides advice and assistance to the business sector.

Applications are invited for the appointment of a Financial Accountant. The duties of the post will cover financial help, management and advice to central departments of the Agency and will be based primarily at corporate headquarters at Pearl House, Cardiff. Other duties will involve the provision of a relief service for the Regional Accountants of the Agency operating in South, West and North Wales. In addition, there will also be responsibilities for work in Central Finance at Treforest on overall controls, administration and general assistance in other financial matters.

Applicants should be qualified Accountants with relevant experience.

Please write or telephone for an application form which should be returned by 2nd April 1987, to:

WDA
Welsh Development Agency

John Bradley, *Finance Director*
Welsh Development Agency
Glantaf House, Treforest Industrial Estate
Pontypridd, Mid Glamorgan CF37 5UT
Telephone: (044 385) 2666 ext 242/271

MANAGER

Reporting & Control – Treasury
London — c. £20,000

Our client, a leading North American Bank with a significant UK presence, offering a wide range of services, is seeking an experienced Manager, Reporting and Control, Branch Operations.

The person appointed, reporting to the Manager, Accounting and Control, will have 1 to 2 years' experience gained in either a banking or an audit operation. Ideally aged in the 25-28 range, you will have a full understanding of Treasury back-up operations and will possess experience in line management.

Qualification as A.C.A. would be an advantage, however a major consideration is potential to progress within the organisation.

You will be a highly professional self-motivated and mature individual with good interpersonal skills, and the ability to work as part of a team is essential.

The salary is negotiable and the package will include all normal banking benefits.

Please reply in confidence, quoting reference 881 and enclosing full career details to the address below. Replies will be forwarded directly to our client, therefore please list any companies to whom your application should not be sent.

Managing Director, JPW Recruitment Advertising Ltd.,
Chancery House, 53/64 Chancery Lane, London WC2A 1QX.

JPW
Recruitment Advertising

Finance Director

Kent — Circa £25,000 + car

This acquisitive subsidiary of a substantial, profitable and progressive British Group, is currently poised to take full advantage of the developing International markets it already serves. The requirement is therefore for an experienced, qualified accountant with commercial flair, enthusiasm, commitment and management skills in addition to comprehensive technical ability. Previous experience of manufacturing, contracting and project management on an International scale would be preferred and the most appropriate candidates will be graduates, possibly MBA, and aged between 35 and 45. Group prospects enhance the career opportunities within the multi location company and the remuneration package embraces a profit related incentive scheme, in addition to a particularly full range of executive benefits.

For additional information please initially send full career and personal details to:

John Overton FCA, Managing Director, Overton Management Selection, 3 Berkeley Square, London W1X 5HG or telephone 01-408 1401 for an application form quoting reference 11/1188/FT.

OVERTON MANAGEMENT SELECTION

APPLICATIONS ARE WELCOMED FROM MEN AND WOMEN

GROUP FINANCIAL ACCOUNTANT COMPANY SECRETARY

LONDON — **Terms negotiable c.£25,000**

United Guarantee (Holdings) plc is a listed company which has recently undergone a financial and management reconstruction and plans to expand principally through acquisition.

An opportunity now exists for a young but experienced Chartered Accountant to join the small central management team. His or her responsibilities will include:–

* Overall control of group financial reporting
* Centralised treasury function
* Secretarial duties of a listed public limited company

Candidates should have several years post qualification experience in industry preferably with a public company. Good communication skills and enthusiasm are important in a small but highly acquisitive unit.

Applications, including full c.v. should be sent to:

Arthur J Cook
Financial Director
United Guarantee (Holdings) plc
10 Lower Belgrave Street
London
SW1W 8LJ

FINANCE DIRECTOR

N E Kent — £25,000 + car + generous bonus

A successful £30 million turnover engineering company wishes to strengthen its management team by appointing a commercially-minded financial executive with a hands-on approach. The company, whose sales include a high export content, is expanding both organically and by acquisition.

Reporting to the Chairman, the Finance Director will control 30 staff and be responsible for the finance, DP and administration functions. Key result areas include improving the timeliness and quality of management information, reducing stock levels and overheads, and upgrading existing computerised systems.

Applicants, aged 35-50, must be qualified accountants whose sound manufacturing company experience should include DP selection and implementation, Knowledge of European operations, ECGD and the contracting industry would be an advantage.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2769 to G. J. Perkins, Executive Selection Division.

Touche Ross
The Business Partners

Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB. Tel: 01-353 7361.

SHORT CUT TO SHORT LIST

FOR GO-AHEAD YOUNG ACCOUNTANTS THROUGHOUT THE UK – AT SALARIES UP TO £40,000 P.A.

HALL-MARK
The Appointments Register

London House, 271-273 King St, London W6 9LZ.

Applicants:
To take advantage of our fast, free and fully confidential service, post off the coupon to:
Michael Polley, FCA, MBA, Hall-Mark Appointments Register, FREEPOST, London W6 9BR (no stamp required). Telephone: 01-741 8011/01-748 3444 (24 hrs.) Prestel 013903873.

SURNAME (MR/MRS/MISS) ____________

FORENAME(S) ____________

ADDRESS ____________

____

____

POSTCODE ____________ FT/26/3

Employers: Our consultant J. Bennett will be happy to discuss our services. Telephone him on 01-741 8011

Accountancy Appointments

Financial Manager

Telecommunications
c£25-£30,000 + car
London

A European Company offering worldwide data transmission facilities for commerce and industry, is seeking an experienced manager to head its finance function in London.

Following significant capital investment in high speed equipment, substantial growth is expected over the next few years. The need has therefore been identified for an experienced financial manager to head up the finance and accounting function in London, and to participate in the development and management of this rapidly growing business.

Candidates aged 28-45 should be qualified accountants, or hold an MBA and must be experienced in a senior finance role, preferably in hi-tech. A knowledge of ECGD requirements is essential. Demonstration of wide business skills and the capacity to progress beyond this role will be sought.

An excellent remuneration package will be negotiated and will include benefits, normally associated with an appointment at this level.

Please send a full CV, quoting current salary and reference MCS/5080 to: Barrie Whitaker
Executive Selection Division
Price Waterhouse
Management Consultants
1 London Bridge
London SE1 9QL

Price Waterhouse

Outstanding ACAs/MBAs

Commodity Trading and Shipping

South Oxon — *Superb package*

This is anything but a routine finance/accounting role. Our client is one of Europe's leading specialist commodity dealers and a major force in the world markets, turnover in the UK exceeds £200m p.a. Exciting plans exist for further expansion through organic growth and acquisition.

A bright young accountant/MBA is needed to help the MD manage that growth. Key tasks will include monitoring of trading/investments, risk management, financing arrangements and acquisition studies.

Candidates will be qualified graduate accountants, or MBAs, in the age range 28-35, who would relish the challenge of a fast-moving flexible environment. Personal skills are paramount and must include a strong but adaptable intellect, powerful but pleasant personality and impressive communication skills.

In return the company offers a high basic salary, bonus, fully expensed car and unlimited potential.

Interested? Then please write to Barry Underwood, in strict confidence, giving details of age, experience and salary progression (and a daytime telephone number) quoting ref. 1734/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Insurance Accountant

c£25K + car + mortgage subsidy — **South West**

* manage a department responsible for providing a professional service to a major Division
* work closely with senior management to achieve high standards of accounting practice
* progress within an expanding and profitable organisation where professionalism is valued and rewarded

Our client is a major life assurance company experiencing rapid growth in the expanding financial services sector. Operating from an established customer base they have successfully broadened the range of their traditional services whilst simultaneously introducing innovative products into specialist markets and establishing new ventures.

The Accounting Department has expanded in keeping with the growth and increasing complexity of the business with the result that there is now a need for a professional accountant with the skills to manage a department effectively. This key appointment is responsible for providing a quality service to the Insurance Division whilst at the same time taking initiatives to develop and improve accounting practices and procedures overall.

Applicants should be graduate Chartered or Certified Accountants with a minimum of seven years post qualification experience. A background in financial services is appropriate but more important is experience of managing a team of people. A competitive salary, car, mortgage subsidy and other benefits are offered together with an attractive relocation package. Age guide 32-37.

Write or telephone (24hrs) for application form and further details quoting ref: 2219.

C Kiddy and Partners
Recruitment and organisation consultants
43 QUEEN SQUARE, BRISTOL BS1 4QR. TEL: (0272) 215275
BRISTOL * LONDON

UK Controller

High Wycombe
Bucks
c £28,000 + car etc

As part of their continued development, our client wishes to appoint a business minded accountant to service Battenfeld UK Limited and Battenfeld Fischer UK Limited. The companies' nature of business relates to the sales, servicing and provision of spares of the internationally well known Battenfeld injection and blow moulding and thermoset machines in the UK and Eire.

Reporting to both senior management in the UK and Germany, the successful applicant will be required to enhance operating results by developing the accounting and control functions of the UK operation and actively participating in business decision making.

Suitable applicants aged 30 to 50 must be in possession of a major accounting qualification and experienced in the co-ordination and development of effective accounting, budgeting and financial planning. Additionally, evidence of increasing responsibilities and proven management ability is required.

A commencing salary of c £28,000 pa plus fully expensed company car will be provided, together with other benefits. It is expected that this appointment will lead to a UK directorship. Relocation expenses will be reimbursed if applicable.

Candidates interested should write enclosing a full CV including salary history and quoting reference MCS/7208 to: Michael R. Andrews
Executive Selection Division
Price Waterhouse
Management Consultants
No 1 London Bridge
London SE1 9QL

Price Waterhouse

Financial Operations Manager

West of London — **To £28,000 + Car + Options**

Our client is a leading multinational manufacturer and supplier of mini computers with a world wide turnover of some $1.5 billion. Operating in this dynamic sector of the industry the company has a very strong product line and enjoys an excellent reputation for price/performance. Due to internal promotion they now seek to appoint a Financial Operations Manager for the UK subsidiary which, with a turnover of around £100 million and some 700 employees, is the largest subsidiary outside the US.

You will be responsible for financial accounting and monthly reporting to the US parent, management accounting, planning and forecasting, cash management, tax planning, statutory accounting matters and ad hoc project work. Reporting to the Area Controller you will supervise 16 staff.

Candidates should be Graduate Qualified Accountants aged 27-32 with an excellent track record in a related industry and possess a strong personal presence, commercial awareness and well developed man management skills. Career prospects are outstanding.

The company offers an attractive package including company car, pension scheme, private medical scheme and share options.

Interested applicants should contact **Mark Carriban ACA on 0753-856151** or write to him at **Michael Page Partnership, Kingsbury House, 6 Sheet Street, Windsor SL4 1BG,** quoting reference SV 1053.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Young and Qualified?

Scope in an International Group

Move into an unusually broad ranging role where you will be encouraged to make decisions and work independently.

Transworld and Transocean are founding companies within the substantial, diverse and well established Kerr McGee Corporation. Highly regarded in the industry, Transocean owns and operates 5 drilling rigs in Europe and the Middle East. The recent addition of a new rig is testimony to the company's commitment to the drilling industry. Transocean operates in the UK through its subsidiary Transocean UK.

Whilst benefitting from the support of a large group, you will enjoy the latitude and responsibility afforded by a small, local operation, principally taking charge of the accounting for Transocean's rigs. This will include preparing financial statements, interpreting drilling contracts and possible European travel.

Probably in your mid-20's, you are forward thinking with plenty of initiative. You are flexible in your approach, ideally have some oil industry experience and are capable of communicating with both clients and personnel at the US HQ.

Based in Central London, you can look forward to a competitive salary, comprehensive benefits and long term opportunities.

Please telephone or write (with CV) to **Sue Jagger, Simpson Crowden Consultants Limited, Specialists in Executive Search and Selection, 97-99 Park Street, London W1Y 3HA. Telephone: 01-629 5909.**

Simpson Crowden
CONSULTANTS

Head of Investment Accounting

£Negotiable + Attractive Benefits

...Recently qualified accountant with financial sector experience

Our client, The Equitable Life Assurance Society, is one of the UK's major life offices with modern administrative headquarters in Aylesbury. It is involved in the transaction of life assurance, pensions and complementary investment facilities. Its products and services are widely recognised as amongst the market leaders, ensuring continued successful growth.

This key new appointment will play a significant role in the development of the society's accounting function. In addition to the production of management, financial and statutory information to tight deadlines, there will be considerable involvement in taxation, systems development, and commercial matters. Candidates will be qualified accountants, probably in their mid-late twenties, with investment accounting or other financial sector experience. Career development opportunities in a demanding and highly visible role are excellent.

The remuneration package offers a very attractive range of benefits, including a low interest staff house purchase scheme and relocation assistance where appropriate.

Male or female applicants should write in confidence to Richard Crosby, Personnel Services Division with a comprehensive CV, including current salary level, or telephone for an Application Form quoting Ref. B2049.

P-E Consulting Services
34 Grosvenor Gardens, London SW1W 0DH **Tel: 01-730 4599**

FIMBRA

Compliance Department Managers and Officers

The Financial Intermediaries, Managers & Brokers Regulatory Association was set up in 1979 as an association of dealers in securities and subsequently granted recognition under the Prevention of Fraud (Investments) Act 1958. It is a potential Self Regulating Organisation under the new Financial Services Legislation establishing the framework for investor protection.

The membership is expected to increase at least five-fold within this year (from the present base of 1450 businesses) and accordingly an interesting, demanding and progressive career opportunity exists for a number of managers and officers in the Compliance Department.

The Compliance Department's important role involves monitoring of members' activities by means of regular compliance visits and investigations. The positions demand a high level of technical and personal skills and the ability to work both individually and/or as part of a team on investigations.

The successful applicants, either male or female, will be qualified accountants or lawyers and experience in the financial services field would be advantageous.

The remuneration package will be commensurate with experience and no bar to suitable applicants who wish to move into the interesting and evolving area of regulation.

Applicants should please write in confidence enclosing a full CV to Mr D. W. Peffer at FIMBRA, quoting reference REC4.

The Financial Intermediaries, Managers & Brokers Regulatory Association
22 Great Tower Street, London EC3R 5AQ

ACCOUNTANCY WORLD

Recruitment Consultants

CONTROLLER, MARKETING DIVISION

Finalist/Newly Qualified Accountant

West London — **c £19,000**

If you are an outgoing, confident and lively accountant, eager to use your "people" skills within a busy Marketing Division (200 staff) then this is THE job! International hi-tech company requires individual with commercial flair and analytical ability, to make presentations to staff and liaise between Marketing Division and Financial Group, contributing ideas and evaluating new expenses proposals. Stimulating stepping-stone to Senior Management in Financial Planning. Ref: AW82

FINANCIAL ACCOUNTANT

West London — **c £17,500**

Financial Services company, expanding at over 50 per cent per annum offers early responsibility to young qualified accountant. The successful candidate will control financial accounting function plus brokerage/insurance returns for London market, and produce monthly management reports, utilising sophisticated computerised system. With young, fast-moving staff, space-age offices near Tube station, subsidised lunches and early finish, this is a great package with prospects. Ref. AW86

Private Interview Facilities

4 ETON STREET, RICHMOND, SURREY TW9 1EE
TEL: 01-948 1677 (24 HRS) OR
TEL: (0491) 579717
5 MARKET PLACE MEWS, 22-24 MARKET PLACE, HENLEY, OXON

Accountancy Appointments

Group Finance Director designate

London
c £27,500 plus car etc

Our client, part of a well established and profitable public group, with operating subsidiaries both in the UK and overseas, wishes to recruit a person of positive and dynamic approach to this key position.

Reporting to the Group Managing Director, the successful applicant will assume responsibility for the accounting and financial control of the Group's growing business and, in addition, contribute as a member of the executive team in the determination of policy and future commercial strategy.

Applicants, aged 30 to 50, in possession of a major accounting qualification must have significant experience in a senior financial appointment from within a successful and developing environment. In addition, they must have experience in the implementation and development of computer technology.

Rewards will not only include salary, car and other benefits, but further opportunity of career progression following a period of success as Group Finance Director. In the first instance a designated period of not more than 12 months is envisaged.

Candidates can apply in confidence enclosing a full CV and salary history, quoting MCS/7210 to:
Michael R Andrews
Executive Selection Division
Price Waterhouse
Management Consultants
No 1 London Bridge
London SE1 9QL

Price Waterhouse

Chief Accountant

Central London — to £25,000+car

Our client is the UK based treasury and investment arm of a substantial, privately owned international banking organisation. The Group has retail banking and other financial service operations located in a number of countries. The UK company undertakes a wide variety of investment transactions embracing trade finance, equities, property development and leasing. Capital employed currently exceeds £300m.

Due to internal promotion our client now seeks a Chief Accountant who will report to the Financial Controller. In this position you will not only manage the implementation of a new data processing system but will also be responsible for day to day control of investment transactions.

You will be aged 30-35, a qualified accountant, and have been involved in the day to day running of a finance service function. You will also have extensive knowledge of modern data processing applications and you will have been involved in the implementation of a computer system for a financial service company.

Please send a detailed c.v., including daytime telephone number, in strict confidence to Catherine Husain, at Management Appointments Limited (Search & Selection Consultants),
Finland House, 56 Haymarket,
London SW1Y 4RN.
Tel. (01) 930 6314.

MAL
Management Appointments Limited

FINANCIAL, MANAGEMENT AND ACCOUNTING PERSONNEL. Our newly formed division which will deal with Financial, Management and Accounting appointments, requires applications from suitably qualified staff. All posts are London based. Please write with c.v. to: ATS International Recruitment Ltd., 73 Surbiton Road, Kingston, Surrey, KT1 2HG. 01-541 1211.

ACCOUNTANT

Automotive Retailing,
Brentford, Middlesex
c.£18,000 + car

Mercedes-Benz (UK) Limited, a wholly-owned subsidiary of Daimler-Benz AG in West Germany, is a leading importer of passenger cars and commercial vehicles in the UK. Our retail outlet in Brentford, Middlesex, has a requirement for a Retail Accountant to join their small management team.

This is an excellent career move for an Accountant, already qualified or in the process of qualifying, with previous experience in the retail motor industry. Reporting directly to the Executive Director and liaising closely with the Finance Department in Milton Keynes, you will be responsible for all areas of retail accounting. Familiarity with computer systems is essential.

Career development prospects are good within the UK parent company. The attractive salary is accompanied by a range of benefits including a fully expensed Mercedes-Benz car, life assurance, contributory pension scheme, discounted BUPA rates and relocation assistance where appropriate.

For an application form please telephone Mrs K Thompson, Personnel Department, on Milton Keynes (0908) 668899 ext 2486.

Mercedes-Benz

BUSINESS ANALYSTS

Evaluating the business strategy of a multi-national company

In a successful, fast growing multi-national company whose commitment to customer service and market leadership is absolute, accurate business information is essential. Which is why we are looking for exceptional Business Analysts to join our sophisticated Headquarters operation in Brighton.

These opportunities have evolved as a result of further expansion and promotions and require commercially minded Accountants/Business Studies graduates with two/seven years' experience, having ideally reached MBA level, whose main responsibilities will be:

- critical appraisal of all medium and long term planning processes, with a view to recommending and implementing improvements.
- enhancing analytical standards for forecast and planned review and developing related management information systems.
- producing timely, precise and useful analysis of all divisional plans, forecasts and proposals.

These are key roles which demand the ability to put an analytical and business perspective on numbers in order to provide our management with the means for effective decision making. You must have excellent communication skills and interpersonal ease at all levels and the flexibility to respond to a high pressure environment where you would be required to give both factual and conceptual input. A familiarity with highly automated computer based systems is essential.

The salary package will match your experience and achievements to date, with a minimum package of c.£18K for those with two years' business analysis experience who can demonstrate real potential.

The package includes a mortgage subsidy, non-contributory pension and life assurance scheme and health insurance. Relocation will be paid if required.

To assume a highly visible role within a major international company please write enclosing a full c.v. to Mike Whippy, Personnel Officer, American Express Europe Limited, Paston House, Preston Road, Brighton, East Sussex BN1 6AF.

AMERICAN EXPRESS

Senior Accountant

Financial Planning & Control

Ealing — up to £28,000 pa

We are seeking a numerate graduate, ideally a qualified accountant but could be with an MBA to manage the financial planning and control function of our Western London District business which has a turnover of £380M.

Reporting to the District Accountant, the successful applicant will manage and control a staff of 30 and be responsible for the preparation & analysis of expenditure control, the further development of management accounting systems and processes to facilitate business analysis and advising Line Managers on all aspects of financial performance.

Candidates must have proven accounting ability and a range of experience that includes budgetary control, financial and business planning and analysis utilising sophisticated computer systems in a substantial plc.

Highly developed inter-personal and managerial skills will also be required.

Salary will be negotiable, as indicated above, on the basis of qualifications and experience. The benefits package will be appropriate to an organisation of our international stature.

Applicants (male or female) should send a c.v. to Brenda Moriarty, Room 804, British Telecom London, Camelford House, 87 Albert Embankment, London SE1 7TS.

British TELECOM

British Telecom is an Equal Opportunities Employer.

INTERNAL AUDIT – BANKING

to £20k + Substantial Benefits

Opportunity for Significant Career Advancement

Financial Sector Human Resources

Our client, a successful and growing British Bank owned by a major EEC Bank seeks a dynamic individual with either a professional accountancy qualification or A.I.B. status, to contribute to the development of this key function.

A generous remuneration package is on offer and personal advancement within the Bank will be actively encouraged.

If you are aged 23-30, have a bright personality, an inquisitive nature and possess a sound knowledge of computer systems we would like to hear from you.

Please send your c.v. to Derek Burn at MCP Consultants or telephone 01-405 9000/1 to arrange an informal and strictly confidential meeting. Ref: 3/627.

MCP MANAGEMENT CONSULTANTS
Lawrence House 51 Gray's Inn Road London WC1X 8PP

FINANCIAL SERVICES

West Yorkshire — to £30,000 + substantial benefits

Our client, part of a major national group, is an established and successful financial services company following an ambitious plan of growth, acquisition and diversification.

A high-calibre finance manager is required, capable of contributing to the further development and execution of this plan and of taking full day-to-day responsibility for the finance, accounting and secretarial functions. Success in this role will lead to an increasing involvement in the direction and management of the company.

Applicants should be qualified accountants in senior management positions. They should be experienced in acquisitions and have a good track-record of implementing change, and a sound knowledge of computerised systems and controls. They should be commercially minded, strategic thinkers and be capable of progressing ideas on their own. Maturity and strength of personality will be essential.

If you feel you meet these requirements, please write in confidence, enclosing a curriculum vitae, to Dr Miranda Hughes, Executive Selective Division, quoting reference No. L/724.

PEAT MARWICK

Peat, Marwick, Mitchell & Co.,
City Square House, 7 Wellington Street, Leeds, LS1 4DW.

International Investment Company

Financial Controller/ Company Secretary

London — £ Negotiable

Our Client is an overseas based Investment Group which has recently embarked on a series of acquisitions, both here and abroad. Its investments include a U.K. listed public company.

The Company has expanded greatly following a substantial successful acquisition, and they now seek a capable Financial Controller/Company Secretary to take charge of all financial, legal and administrative requirements.

The person appointed, aged 30-40, will be a key element in a small head office team. He/she will be responsible for all accounting and secretarial functions. It will be necessary to set up new systems.

The Company is entrepreneurial in outlook and seeks a person who is prepared to make a major contribution. The position is likely to suit a Chartered Accountant, originally from one of the major accountancy practices, with subsequent experience as an Accountant within a financial or commercial concern.

Career prospects in this unusual position are likely to be outstanding for a person willing and able to grow with the Company. A highly attractive salary package including equity participation will be offered to the jobholder.

Please reply in the first instance, quoting ref. 804, to Caroline Magnus, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel. (01) 248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

GROUP FINANCIAL DIRECTOR

c £27,000 + Car + Bonus + Benefits

A fast growing profitable engineering PLC, primarily based in the West Midlands, with a turnover of over £30m requires an experienced and energetic group financial director to take responsibility for all aspects of financial and management accounting in a climate of strong organic and acquisitive growth.

Candidates aged between 32-40 should be qualified accountants, demonstrating a successful track record of in-depth financial management, coupled with a high degree of commercial awareness ideally with an engineering background, plus well developed communication skills.

Key areas will be to enhance/develop and implement good management accounting systems, to control and reduce operating costs and to assist in the development and subsequent implementation of strategy.

Please write with full cv in confidence to:
The Chairman, Box A0466, Financial Times
10 Cannon Street, London EC4P 4BY

Appointments Wanted

MA (CANTAB) ACA
BRITISH GRADUATE

Early 30's, first class honours in economics ACA (big eight firm) with considerable financial and business experience in both the City and Commerce, seeks a new challenge despite existing excellent position. All offers considered but preference is for a company seeking a flotation or with an exciting expansion programme. Write Box A0464, Financial Times, 10 Cannon Street, London EC4P 4BY.

Financial Accountant:

c. £22,500 + car and mortgage subsidy

Banking subsidiary of major financial services group requires financial accountant with managerial ability to run the accounts department and to liaise with taxation and other professional advisors.

Accountant qualified with any of the professional institutions – banking experience essential. The successful candidate would take the role of financial accountant to the bank and its banking subsidiaries. He/she would report to the parent company and have to meet Bank of England reporting requirements: experience of effective reporting to tight deadlines is essential, as is an ability to manage a department of four.

Please reply in confidence, with full C.V. to:
Box No. AO463, Financial Times, 10 Cannon Street, London EC4P 4BY

Accountancy Appointments

Partnership
The Organic Way

Nationwide **to £35,000 + Car + Benefits**

We are acting for a successful and fast growing national practice which has a current need for a number of responsible, decisive and commercially-minded partners. This follows a sustained period of organic growth in their audit, business services, corporate finance and tax departments; a remarkable achievement in these "growth-by-merger" times.

In all areas, their success is accounted for by

* dedication to service client needs and to develop staff effectively and efficiently.
* belief in their own abilities.
* progressive marketing and practice development.
* depth in technical skills.
* adaptability to constantly increasing demands from commerce, industry and the finance sector.

Above all, a refreshingly positive desire to fully realise their ambitions. Not surprisingly, applicants must be able to display all these attributes.

If you are currently a manager impatient for progression, or a partner in audit, general practice or tax in a local or national practice looking for greater scope, then this could be the ideal opportunity. Although an impressive track record to date will be an important factor, the ability to contribute actively to future growth is vital.

Apart from the chance to achieve real self-fulfilment and immense job satisfaction, the remuneration package is impressive: The salary is negotiable, based on experience and ability, and the benefits package includes, a car, a generous pension scheme and where necessary, relocation assistance.

In the first instance, those interested in discussing these senior appointments should write, enclosing a full curriculum vitae to Jonathan Williams, *Director*, Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.

All applications will be treated in the strictest confidence.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

FINANCIAL DIRECTOR

West London **£ fully negotiable**

Our client is the subsidiary of Europe's largest manufacturer of automotive batteries. In the UK, it is an importing, warehousing, and distribution business.

The imminent retirement of the present Financial Director has created the need for a mature financial executive to take his place. Reporting to the M.D., the person appointed will advise the Board on financial planning and control, will manage the company secretarial, accounting and stock control functions and review existing systems, computerising where appropriate.

Candidates should hold a recognised accounting qualification and have experience of financial management, preferably in manufacturing or distribution industry. They must be well versed in the preparation and interpretation of financial and management accounts, together with detailed experience of cash and credit control, and the use of computers.

Remuneration is for discussion over £25K and the package will include a car, and other attractive benefits.

Please write or telephone for written background information and/or informal discussion to:
Peter Nielsen,
Grosvenor Search International Ltd.,
178-202 Great Portland Street,
London W1N 6JJ.
Telephone: 01-631 5135.
Quoting Ref. No. G528.

Grosvenor International
Search & Selection, 178-202 Great Portland Street, London W1N 6JJ. Tel: 01-631 5135.

Finance Director

Worcestershire
c£20,000 + Bonus + car

This is a key appointment with a well *established and profitable U.K. owned manufacturing* company, engaged in the production of high technology *metal-based* products for the aerospace and defence industries.

The position is *viewed as vital to* future growth and expansion and the jobholder will be expected to *make* a *major contribution* to the overall management and development of the company.

Reporting to the Managing Director you will assume responsibility for the *complete* finance and *accounting* function with key tasks including:

- *Statutory accounting*
- Finance and cash control
- Budget preparation and control
- Reviewing management information systems

Ideally aged 30-40 years you should be a qualified Accountant — ACA or ACMA and possess a broad financial/accounts management background gained in an engineering or manufacturing environment. In addition you should have experience of developing computerised management and financial information systems.

The attractive remuneration and *benefits package* includes assistance with relocation in appropriate cases. Prospects are excellent, with opportunities to progress within the Group.

Candidates, male or female, should *apply in writing enclosing full career* and personal details quoting MCS/8714 to Stephen Bailey,
Executive Selection Division
Price Waterhouse
Management Consultants
Livery House
169 Edmund Street
Birmingham B3 2JB

Price Waterhouse

Tax Director
- Europe, Africa & Middle East

Brussels based

Wang is a world leader in the manufacture and supply of computer technology. With subsidiaries in 11 European countries and distributor operations throughout the Middle East and Africa, turnover is rapidly approaching $1 billion.

We now require a taxation specialist to take up a senior position within the European Headquarters. Based in Brussels, you will advise on all issues concerning the liabilities of our European operations. This will include planning and implementing strategies to optimise the taxation position of local operations in the context of a US controlled international group.

This key role demands at least five years' experience in a professional environment or international corporation. An appropriate knowledge of European and US tax laws is essential, preferably backed by formal qualifications. Fluency in English is essential, and knowledge of other European languages would be an advantage.

The post carries an excellent salary and benefits package which fully reflects the importance of the job.

Please write with full personal and career-history to David Leigh, Personnel Manager, Wang Laboratories Inc, 1000 Great West Road, Brentford, Middlesex, England.

WANG
Wang makes IT work

FINANCIAL DIRECTOR

City **To £40,000 + car + share options**

Our client is a newly reconstructed plc which intends to expand rapidly to become a leading supplier of financial services to private clients and small companies. The recruitment of a Financial Director for the Financial Services Division is an integral part of its expansion plans.

Reporting to the Divisional Managing Director, the Financial Director will be a member of the Divisional Board and will be responsible for establishing effective control systems, for planning and budgeting, for compliance and for company secretarial duties. The Financial Director will also personally be involved in the identification, purchase and integration of new acquisitions.

Candidates should be chartered accountants in their mid thirties and have had financial management experience in a similar environment. They should have the determination to succeed in a professional company with strong entrepreneurial leadership.

Please send a comprehensive career résumé, including salary history and daytime telephone number, quoting ref: 2767 to G. J. Perkins, Executive Selection Division.

Touche Ross
The Business Partners
Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB. Telephone: 01-353 7361

FINANCE DIRECTOR

c.£35,000 p.a.

MATCH OUR INITIATIVE IN INTERNATIONAL BROKING

At the heart of Frizzell's pre-eminence within the financial services *sector lies* a commitment to innovation and expansion. The success of this business strategy has been fully reflected in the rapid growth of our International Division, which is why we have this opportunity for *a dynamic and ambitious* Finance Director.

Your ability to identify and assess effective strategic directions for the future will be the *measure* of your success. And naturally ours. You will hold responsibility for all Financial Accounts other than *investment treasury* and will *deal* with every aspect of international accounting, including re-insurance *financial* control.

It is essential that you can demonstrate successful and relevant international insurance *broking* experience. Just as importantly, you will be expected to further develop our existing team in order to achieve the highest professional standards and performance. Success in this area will depend upon a combination of *exceptional man-management* skills and a confident style of leadership.

This position represents an ideal career move for a qualified accountant preferably in their early 30's, whose *commercial flair* and *business* philosophy matches ours.

Interested candidates should write to Sylvia McGeachie, Group Personnel Manager, The Frizzell Group Limited, Frizzell House, 14/22 Elder Street, London E1 6DF.

FRIZZELL

FINANCIAL ACCOUNTANT

Central London
c.£20,000 p.a. Benefits

My clients are a leading marine mutual insurance company who, because of expansion and diversification, seek to recruit a recently qualified Chartered Accountant.

The work, will be interesting and varied, and will involve a wide range of financial accounting matters including the supervision, review and preparation of sound financial and management information from computerised accounts; *financial and statistical analysis*; implementation of accounting and control systems for new projects; company taxation computations; liaison with offshore reinsurance subsidiaries and their investment managers.

In this changing environment managerial ability, flexibility of approach, drive and enthusiasm are essential qualities.

This is an exciting opportunity with outstanding early promotion prospects, for an ambitious young Chartered Accountant to work in a challenging atmosphere where new business ventures are actively being pursued.

Please apply with full CV quoting JH/152 to:-
John Hamilton, 15/16 America Square,
London EC3N 2LA. Tel 01-481 8314

JHA
John Hamilton Associates
Management and Recruitment Consultants

Corporate Finance
£20,000–£25,000

A prestigious blue-chip merchant bank, seeks to supplement its first-class Corporate Finance Department with one, possibly two, young executives. Successful applicants would join a high profile, professional team engaged in all aspects of corporate advisory work including equity issue, merger and acquisition, management buy-out and small company work.

The bank will only consider exceptional candidates with first-class academic and professional examination records. Relevant post-qualifying experience with a top City firm of accountants or solicitors is a significant advantage.

Interested applicants should contact **Mark Hartshorne** on **01-404 5751** or write to him at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

Michael Page City
International Recruitment Consultants - London Brussels New York Paris Sydney

Financial Planning and Analysis

Surrey or W. Essex **to £25,000 + car**

This is an opportunity for a young graduate Accountant to join the Headquarters of an international British Group and be involved in the planning and review of its business in an *operational and strategic context*. He or she will join a *small high-calibre team* which is an established source of candidates for promotion into the Controllership stream. The *role is varied involving reviews, for board level input, of new product* programmes, major contracts and capital projects as well as the on-going appraisal of plans and performance. There is some *UK* and overseas travel. Precise experience is less important than a record of achievement and the potential to move into a senior financial position with an operating subsidiary within about 2 years. Ref. 1640/FT. Send CV (with telephone numbers) or write or phone for an application form to R.A. Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

MANAGEMENT ACCOUNTANT
BOOK PUBLISHING — LONDON WC

Chatto, Virago, Bodley Head and Jonathan Cape Ltd wishes to recruit a qualified Accountant for a new position. The successful candidate is likely to be aged under 30 and seeking *to progress a worthwhile career* in commerce.

He or she will need to demonstrate a sound technical background together with the ability to communicate with both accounting and creative people in the group.

An attractive salary and benefits package will be offered according to ability and experience. The position will report directly to the Group Chief Accountant, to whom applications, with full CV should be addressed:

John Roberts, FCA
CVBC SERVICES LTD
9 Bow Street, London WC2

هكذا من الأصل

Accountancy Appointments

هكذا من الأصل

Financial Controller – Business Planning

Central London £20,000 + Car

On the path to further expansion this High Street giant is about to announce its third major acquisition. Through a policy of diversity within the retail sector it has established a secure niche from which it is poised to outpace its close competitors.

Driving the business plan of a key commercial function, the Controller will interact with senior managers and motivate a sizeable finance team to achieve demanding performance targets.

Combining your commercial awareness and technical competance you will immediately influence management decisions.

A qualified accountant aged mid-late 20's you should have clear career aspirations founded upon a sound track record within a large organisation.

For further information please contact JANE EASTON Ref: 3489.

Alderwick and Peachell Partners Ltd

Alderwick Peachell and Partners
125 High Holborn, London, WC1V 6QA
Tel: 01-404 3155

BUSINESS ANALYST

Expand Your Horizons With A Leading International Oil Company

Rarely is there such a great opportunity for a professional accountant to broaden the scope of his/her career. Having gained at least five years' post qualified accounting experience, with some oil industry exposure, you will be ready to take on a role that encompasses a range of exciting new challenges.

Reporting to the Director of Marketing in London, your prime function will be the preparation of vital financial forecasts and analyses utilised in corporate strategic planning. You will also be heavily involved with economic modelling, oil and gas marketing activities and new ventures analyses.

There will be strong functional links with the Accounts Department in London and the Planning Department in Houston. Indeed, the long term career path could lead in either of these two directions and very likely to overseas postings.

To be a candidate you must be a graduate in a numerate discipline and a qualified accountant (ACA/ACMA), with indepth knowledge of computer based accounting systems. Communication skills and in particular the art of persuasion must be an identifiable asset to the successful candidate, in order that solutions to complex problems may be argued forcibly but tactfully.

The position carries a highly competitive salary and attractive benefits package including a company car. Relocation assistance will be provided where appropriate.

To apply please write with CV to Stephen Cole, SMCL Oil & Gas Ltd, Cavendish Court, 11/15 Wigmore Street, London W1H 9LB or telephone 01-629 3532.

SMCL
OIL & GAS RECRUITMENT

Project Accounting Managers

Berkshire based
UK operations £20,000 + car
European ops c.£23,000 + car

These newly created appointments are with an established computer manufacturer who has pioneered a unique processing technology, earning them an enviable reputation in the high performance computer market.

Expansion has created a demand for increased financial control and for the development of computerised systems to improve the efficiency, effectiveness and quality of financial information within the company.

Both positions are based in Berkshire with one appointment focusing on the UK operations whilst the other will concentrate on Europe, where extensive travel is envisaged.

The roles involve reviewing existing procedures and systems, recommending and implementing change, including user training and ensuring that cost effective financial and management systems are in operation throughout the organisation.

Young, qualified accountants with broad based financial and management accounting experience are sought for these positions. The ability to implement financial controls and develop computerised systems is essential. For the European operations, candidates must be prepared to travel extensively and ideally will have a working knowledge of a second European language.

Salaries are negotiable and are supported by first class employment conditions including a profit sharing scheme and fully expensed car.

Please write with full CV, including details of current salary, quoting reference MCS/9001 and indicate which position is of interest, to Mark Nixon,
Executive Selection Division
Price Waterhouse
Management Consultants
Thames Court
1 Victoria Street
Windsor
Berkshire SL4 1HB

Price Waterhouse

Director of Finance and Administration

South of London £25,000 + Car

Our client, an autonomous subsidiary of a major company, a rapidly expanding tour operator with a turnover in excess of £5 million seeks a Director of Finance and Administration.

The position supported by a department of fifteen, will assume total responsibility for Finance and Administration, together with significant involvement in the commercial evaluation of key business projects. Additionally, a major upgrading of the computerised systems will be required to facilitate modelling, and to *improve the quality of MIS.*

Future prospects may involve a management buy-out with associated Equity Participation.

The successful candidate will be a Chartered Accountant, aged 30-35 with a well developed business flair, and commercial experience which must include management accounting and computerisation.

If you are interested in this position and are prepared to commit yourself to the continued success of the company then send your curriculum vitae and telephone number to Jon Anderson ACMA, Executive Division, at 39-41 Parker Street, London WC2B 5LH, *quoting ref. 393.*

MP
Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Finance Director Designate

London c.£33,000+car

Our client is a well known Plc, manufacturing and selling a range of electronic equipment, and is one of the leaders within its specialised market sector. Overseas turnover significantly exceeds that in the UK, and the Company is poised for rapid growth following a period of sustained investment and product development.

The current appointment arises from the promotion of the present Finance Director to the position of Group Managing Director.

The role is to provide the Board with the complete financial service needed within an internationally operating Plc. Therefore candidates must be familiar with that environment and able to handle both the important external City and banking relationships as well as being technically sound in the financial accounting, taxation, treasury, management auditing and costing areas.

Candidates, probably aged in their 30's, must be qualified accountants, have worked in manufacturing and be strongly commercially orientated.

Location central London with regular UK and international travel. Remuneration includes the benefits normal for a progressive Plc.

Please reply, with full career details, quoting reference 1222, to
David Thompson,
Managing Director, Bull Thompson and Associates Limited,
63 St. Martin's Lane,
London WC2N 4JX, who is advising on this appointment.

Bull Thompson
CORPORATE AND RECRUITMENT CONSULTANTS

RECENTLY QUALIFIED ACCOUNTANT

City — Negotiable Package Including Substantial Banking Benefits

A leading merchant bank urgently requires a recently qualified accountant to join their specialist management accounting team.

Reporting to the management accountant, the successful candidate will take over responsibility for collating costing information from which the bank's mangement accounts, budgets, financial accounts and tax computations are produced. Other aspects of the position include the day to day monitoring of departmental reporting requirements, continual assessment and development of computerised accounting systems, cost analysis and control, provision of various ad hoc management information.

Successful applicants are envisaged to be 25-28 year old, graduate Chartered or Cost and Management Accountants with practical experience in micro based spreadsheets and proven ability to communicate at management level. Being one of London's major merchant banks and a member of the accepting houses committee, our client can offer an established career and training programme which will set your feet firmly on the road to a *senior management position. If you have the necessary drive and* commitment. To apply, please write with a copy of your curriculum vitae to Antony Dunlop.

ANTONY DUNLOP
ACCOUNTANCY RECRUITMENT CONSULTANTS
18 JERMYN STREET LONDON SW1Y 6HP
TEL: 01-439 6171 ⊖ PICCADILLY

TAX MANAGER

POTENTIAL PARTNER
NEWCASTLE-UPON-TYNE
FCAs/CAs 30–40 from £25,000 + Car

Our client is a "top eight" firm of chartered accountants seeking a mixed corporate/personal tax manager to take responsibility for the development of the Newcastle-upon-Tyne tax practice.

Candidates (male or female) should be at manager or senior manager level in a medium or large firm of chartered accountants and have current experience of corporate and personal tax compliance, planning and one-off investigation work and tax practice development.

Current clients of the Newcastle-upon-Tyne office range from high net worth individuals, entrepreneurs, professional partnerships to substantial local subsidiaries of plc's and a major corporation.

Prospects are excellent with partnership envisaged in the short term (1-3 years) or even earlier for exceptional candidates.

For more information please contact **George Ormrod B.A.(Oxon)** or **Martin Purrier A.C.A.** on **01-836 9501** or write with your C.V. plus tax technical C.V. to Douglas Llambias Associates Limited at our London address **quoting reference No. 7274.**

FINANCIAL & MANAGEMENT RECRUITMENT CONSULTANTS
DOUGLAS LLAMBIAS
LONDON LIVERPOOL MANCHESTER ABERDEEN EDINBURGH GLASGOW
DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R 0NS
TELEPHONE: 01-836 9501

CHARTERED ACCOUNTANTS

c £17,500 - £25,000 + car

Are you a recently qualified accountant or *finalist looking for a new career?*

With a wide variety of excellent positions available in small to medium-sized companies, and diversity of other blue chip companies we are ideally placed to fill your job requirements. Our service is personal, professional and completely confidential. We may have just what you've been looking for, so why not ring us today for an appointment or simply send us your CV.

Ref: CA/346

OPERATIONAL AUDITOR

c £20,000 + car

Young, qualified and ambitious accountant, familiar with computer audit, sought by an International Financial Services group based in the City. Part of the work will involve ad hoc assignments, investigations and acquisitions with certain amount of overseas travel.

Ref: AT/240

ACCOUNTANCY ASSOCIATES LIMITED
temp./perm. recruitment consultants
5 VIGO STREET LONDON W1X 1AH TEL:01-439 3387/8/9

The Honourable Society of Lincoln's Inn
ACCOUNTANT

A vacancy will occur at the end of June for the Accountant to the Society, responsible to its Chief Administrator for all accounting aspects of administering the Society and its property, apart from the initial preparation of departmental accounts.

Applicants should have working experience of preparation of budgets, cash flow forecasts, annual accounts and tax returns and claims, and some knowledge of computerised accounting systems. Salary circa £20K. Pension provision negotiable. Generous holidays.

Further information and a job specification can be obtained from:

The Under Treasurer,
The Honourable Society of Lincoln's Inn,
London WC2A 3TL

FINANCIAL CONTROLLER

Berkshire Neg £16K + Car

An exceptional opportunity to establish a financial management career in industry. Our client, a profitable and fast-growing £1.6M turnover company manufacturing special gases for blue-chip customers, now requires a new or recently qualified accountant for the new post of Financial Controller at their modern HQ in Newbury.

Computer literate and a good communicator, the successful candidate will have statutory accounts experience and will be capable of handling a broad accounting role, ranging from systems development to monthly reporting.

Salary negotiable to c£16K plus company car and benefits.

Please write for further information and application form to Alex Villiers, 3i Consultants Limited, 8 High Street, Windsor, Berks SL4 1LD or phone (0753) 857175 (24 hours), quoting ref AV/651.

3i Consultants Ltd
Human Resources Division

FINANCIAL CONTROLLER

Chester c£20,000 + Profit Bonus + Executive car

Our client is a £100+m. turnover company operating through 350 outlets in an exciting and competitive sector of the retail industry. With a head office in Chester, it is an autonomous subsidiary of a leading high-profile public group.

As part of an aggressive plan to seek further growth opportunities, the company has identified the need for a high calibre accountant who can bring to the executive team strong technical skills, proven management abilities and sound computer experience whilst having a 'shirt-sleeves' approach to basic accounting procedures.

Reporting to the M.D., with functional responsibility to the Divisional F.D., you will be heavily involved in the development of systems and staff to achieve more meaningful and responsive financial reporting. In addition to a comprehensive monthly management accounting pack completed to a strict timetable, key areas for attention will be cash management, cost control and continuous business forecasting.

This is a fast-moving and challenging environment in which to work; it is important, therefore, for you to be quick-thinking, positive and enthusiastic. A major accounting qualification and recognisable commercial acumen will be key requirements for the successful candidate.

Conditions of employment are excellent and the company's proven aptitude for successful growth will create outstanding opportunities for increased responsibility and reward. Relocation will be paid where necessary to Chester, which is one of the most pleasant and historic cities in the country.

Please contact Lawrence Barnett in our Manchester office or Melinda Hughes in our Liverpool office, quoting ref. no. M546.

Trident House,
31-33 Dale Street,
Liverpool L2 2HF
Tel: 051-236 9373

ASB
RECRUITMENT LIMITED

Eagle Buildings,
64 Cross Street,
Manchester M2 4JQ
Tel: 061-834 0618

Accountancy Appointments

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, BRISTOL, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Financial Director

Stationery, Office Equipment Distribution

Sussex ***£30,000+, Bonus, Car***

Sandhurst Marketing is a newly acquired subsidiary of the Tootal Group and represents a significant diversification by this internationally renowned organisation. A Financial Director is now required to consolidate the present position of the business by completing the introduction of fully integrated systems for its control; to provide the financial interface with the Group centre; and to contribute fully at Board level to the profitable development of the company. Turnover has grown from £3m to £30m in eight years by organic growth and by acquisition, and this trend will continue as the company justifies its position at the hub of a new vibrant division. To fill this key role we require a vastly experienced and practical qualified accountant, aged 35-45, preferably with a background in multi-product sales and distribution supported by computer-based order entry systems. The fringe benefits are excellent and the bonus potential, which is geared to profitability, is meaningful.

R.D. Howgate. Ref: M11003/FT. Male or female candidates should telephone in confidence for a Personal History Form **061-832 3500, Hoggett Bowers plc,** *St. John's Court, 78 Gartside Street,* **MANCHESTER,** *M3 3EL.*

Financial Controller

c £20,000

Our client has an outstanding career opportunity immediately available for ambitious, self-assertive problem solver early in his/her career.

Reporting to the Financial Director, you will direct the entire accounts function including preparation of financial accounts, budgets and monthly management accounts. Additionally, you will review and control the accounting and computer systems.

Successful candidate will be ACA/ACCA or CIMA qualified. Experience within a manufacturing environment involving computerised order/sales, stock control and accounting system preferred. Good knowledge of standard and job costing desirable. Experience with import/export and credit control a definite plus.

This rapidly growing, worldwide leader *within its industry offers* excellent prospects for career advancement.

A generous salary is coupled with a contributory pension plan and life assurance schemes. Relocation expenses will be reimbursed where appropriate.

If interested call Colin Britten on (01) 437 2615. Alternatively send your C.V. to him at Templeton Eliot, 103A Oxford St., London W1R 1TF.

TEMPLETONELIOT
ADVERTISING

RETAIL FASHION INDUSTRY

FINANCIAL & MANAGEMENT ACCOUNTANT (Based in London area)

Package c.£20,000

This exciting position offers an outstanding opportunity to someone with flair, drive, vision and commitment to develop in a fast moving fashion oriented environment.

Our client is a young, high profile company with substantial institutional backing and which is currently *in the course of developing a chain of own and* franchised retail outlets in prime high street locations.

The successful candidate will be in their late twenties or early thirties and will be a qualified accountant with at least one year's post qualification experience. You will need to have a sound knowledge of the development of computerised systems as well as of management reporting in a commercial environment.

In addition to the excellent salary package on offer, this position will provide the successful candidate with the prospect of moving to a Board appointment within two years.

Please reply enclosing detailed curriculum vitae to:

MOORES & ROWLAND

David Enser,
50 St. Andrew Street,
Hertford,
Herts. SG14 1JA

MOORES & ROWLAND MANAGEMENT ADVISORY SERVICES LIMITED

ASSISTANT COMPANY SECRETARY

Watson Ward Albert Varndell, a large and expanding Direct Marketing Agency group with a turnover of £25 million, wish to apoint a qualified Chartered Secretary. Resposibilities will include the full range of secretarial matters for the Company and six trading subsidiaries, preparation of agendas and minutes of Board Meetings and insurances. He or she will also be responsible for personnel and pensions administration. Candidates should be original thinkers with a confident personality and in-depth knowledge of statutory and legal matters. It is unlikely that anyone under the age of 28 will have the required experience to fill this position. Salary will be up to £22,000 according to age and experience. Benefits include a car, contributory pension scheme and private medical insurance. Career development prospects are potentially excellent.

Apply in writing to:
Brian Curran
WWAV Ltd, 31 St Petersburgh Place
London W2 4LA

Appointments Wanted

FINANCIAL EXECUTIVE

FCA 41

LIGHT INDUSTRY

French and German emphasis on financial control and computer systems in fast moving environment seeks

DYNAMIC AND CHALLENGING POSITION

Write Box A0473
Financial Times, 10 Cannon St
London EC4P 4BY

Group Finance Director ...with entrepreneurial flair

c.£25.000 + share incentive + car *Manchester*

Privately owned, our client's business was formed over fifty years ago. Operating from several UK locations, it is now one of the leaders in its field of national merchanting. From a £2m turnover in 1976 to £25m today, it has firm expectations of £50m and a listing by 1990. Growth in profitability is equally impressive.

This rapid expansion has generated the need to strengthen the Board by appointing an individual, male or female, with overall responsibility for accounting, computing, treasury and management information matters. Of equal importance will be your role in working closely with other senior executives on the further development of the Group, giving you the opportunity to fully demonstrate your general business acumen.

Naturally this crucial appointment demands a qualified accountant. Probably aged 30/40, you will ideally be educated to degree level. You must be able to show significant involvement in the management of an organization which operates in a fast-moving commercial environment. Previous experience of the development of computerised accounting systems would be advantageous.

In addition to a challenging and remunerative career, the company offers a comprehensive benefits package, including relocation assistance where appropriate.

To find out more contact Bill Cogle on 061-834 4191 (office) or 0484 641529 (evenings after 7 pm); or write to him at Austin Knight Selection, Ref. P288, 35 Peter Street, Manchester M2 5GD.

Austin Knight Selection

Financial Planning Manager

A strategic role in management for a leading manufacturer

Few organisations can boast the range of interests our client has established in commercial and consumer high precision goods. They are an internationally renowned manufacturer with a thriving UK market, generated through the exceptional quality of their products.

As Financial Planning Manager you will perform a key role in ensuring that targets and company budgetary objectives are met. Primarily this will consist of co-ordinating both the collation and presentation of financial plans including *monitoring actual sales performance.*

You will also be closely involved in identifying long term cash objectives, capital expenditures and taxation computations spanning the whole of the company's activities. It is in every sense a highly visible, management position, demanding the ability to motivate other management and staff.

Only Qualified Accountants of the highest calibre, with an excellent track record in a role of similar capacity will be considered for this post, which demands flexibility, authority and a high level of personal motivation.

For those with the required background, a highly competitive salary and benefits package including company car, will be offered.

Applications, received in confidence, should be sent in the first instance to Shelagh Stephenson at Moxon, Dolphin & Kerby Limited, 178-202 Great Portland Street, London W1N 6JJ. Please quote reference FT/4480.

MOXON·DOLPHIN·KERBY
EXECUTIVE SEARCH & SELECTION

International Appointments

Chief Actuary Australia

Substantial Life & Investment Group Package A$175,000 Inc Profit Share

This position represents one of the most challenging senior actuarial appointments to be made in Australia in 1987. The successful incumbent will become an integral part of a new and dynamic management team of a life and investment group, which already has a reputation for innovation and profitability. Premium income has quadrupled in the past six months under this new management and the parent company with A$1BN of funds under management has a "blue chip" profile in Australia.

Leading a team of some thirty people, as *Head of the Finance Division*, this position will be responsible for the actuarial and financial operations of the company.

Candidates must be qualified Actuaries and should be able to demonstrate a successful and impressive career record to date, gained with an insurance group, consulting organisation, the reinsurance area or another related field.

For a commercially and marketing orientated individual, this position not only represents an excellent challenge in itself, but could clearly provide a stepping stone to general management.

The position is based in Sydney, a sophisticated city of four million people with an idyllic climate and a family lifestyle that is envied throughout the world. Reasonable relocation expenses will of course be met for the successful candidate.

For further information, in strict confidence, please forward a comprehensive resume to **Andrew Banks**, quoting Ref. No. 2957/2. Initial enquiries can be made by telephoning **Sydney 61-2-251 1022.**

Lic No 888

Morgan & Banks Pty Ltd

Member NAPC

Executive Selection and Search
Level 3, 1 York St. Sydney 2000. Telephone 251 1022

GROUP COMPANY SECRETARY, BRUSSELS

We are an International and diversified Company with offices in five Countries and with a Corporate Group Headquarters in Brussels. We now require a qualified Company Secretary aged 35-42 with corporate experience to be based in Brussels to coordinate the regulatory and statutory matters relating to the Companies within the Group. Versatility is an essential attribute. An excellent package will be tailored to the right individual.

Reply in complete confidence to Box A0462
Financial Times, 10 Cannon Street, London EC4P 4BY

YOUNG FINANCE DIRECTOR

MANUFACTURING

South East Essex £20,000 + car

Our client is a fairly small but highly ambitious and successful engineering and manufacturing organisation.

Owing to expansion, a young *finance* director is now sought to take on accounting and commercial responsibilities for one of our client's key subsidiary companies. There will also be a requirement to be a senior member of the Holding Company accounts team; the work will have considerable variety and be highly demanding.

Preferred applicants will be in their mid to late twenties, and be chartered or certified accountants with around two years' post qualification experience gained in a firm of accountants. Clients must have included a number of manufacturing or engineering based organisations. In addition, recent experience of corporate tax matters is essential.

This is a challenging post with clear career development opportunities. In addition to salary there is a generous benefits package.

Please write, in confidence, to Michael Ping enclosing a curriculum vitae and quoting reference F/147/P at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

CENTRAL BLOOD LABORATORIES AUTHORITY

DIRECTOR

FINANCE AND ADMINISTRATION ELSTREE, HERTS

c £30,000

Applicants are invited for a new post with this Special Health Authority. The Central Blood Laboratories Authority (CBLA) was established in 1982 to oversee the manufacture of blood products and associated reagents and to carry out related marketing and research. The CBLA primarily supplies the National Health Service, but expansion into wider fields is envisaged.

Some 400 staff are employed and revenue is planned to reach £50 million p.a. in the near term. The organisation has reached a milestone in its commercial development with the impending commissioning of an advanced production unit. The Authority now seeks a forceful Director of Finance and Administration who will be responsible to the Chief Executive for financial and administrative affairs including strategic planning.

Candidates must be qualified accountants with relevant commercial experience and be capable of effecting change and improving performance. The preferred age range is 30-40.

The appointment will be made on a fixed term renewable contract subject to negotiation.

Please send full personal and career details in confidence to the Chief Executive, Central Blood Laboratories Authority, The Crest, Dagger Lane, Elstree, Herts WD6 3AU.

Senior Accountant Systems

South London

c.£22,000 + car + benefits

Our client is a market leader in UK retailing with a *sizeable programme* of investment in the most advanced computerised systems.

They seek an exceptional individual to head a small, professional team which will take the Accounting Systems to the next stages of development, including implementation of advanced software packages, and operational support.

A qualified accountant around 30, you must have spent part of your career to date involved in Systems Analysis and design - preferably within an IBM environment.

Our client offers an extensive benefits package which includes profit share, share option scheme and staff discount after qualifying periods. The scope of personal and professional growth is excellent.

For a full job description, please write to George Wakely at John Courtis & Partners Ltd, Selection Consultants, 104 Marylebone Lane, London W1M 5FU, demonstrating clearly how your experience and personal skills meet our client's requirements, quoting ref.3010/FT. Both men and women may apply.

JC&P Management Selection and Search
London, Milton Keynes, Northwich

هكذا من الأصل

THE ARTS

Exhibition/David Piper

The importance of being framed

The systematic study of the history of picture frames is a very recent venture, but has been marked since 1980 by two important exhibitions, in Amsterdam and in Chicago. The first exhibition in Britain, *Designs for English Picture Frames* has now been staged by one of the leading frame makers, Arnold Wiggins and Sons, in the Morton Morris Gallery in Bury St, St James (until 10 April), organised by Pippa Mason. It rewards close inspection, not only as survey and documentary illustration of the changing fashions in the framing of pictures from the late 17th century on, but for the often exquisite draughtsmanship represented, whether in the designers' proposals, elegantly presented for the clientele, or craftsmen's working drawings sometimes scribbled across with technical instructions, prices and so on, or patterns of mouldings—worthy of being framed themselves and today often done so by collectors.

The verb "to frame" can be appreciative or pejorative. Thus, happily, one may say, "I have framed my picture," set it off, so to speak. "I have been framed" is though something quite other, meaning "I have been set up," deceitfully. A frame can of course enhance and "become" a painting just as the right dress can enhance feminine beauty. On the other hand, a frame can deceive—and the finer it is the more deceitful it may be—in distracting critical attention from inherent weaknesses in the painting it contains. Very early in my curatorial training I was taught that, whenever possible, a painting on offer should be taken out of its frame, and inspected propped against an easel (preferably in sunlight), as it were naked. Purists might insist that first of all the back *of the canvas, rather than the* front, be scrutinised.

Religious ritual conditioned early frames, altarpieces ranging from grand multiple projects to small diptychs for private devotions. In these the gold of the frame might be virtually continuous with the gold background of the actual painting, against which, as if a heavenly eternity, were set the stylised divine or human figures. As paintings became domesticated, as furniture for walls at home, one of the basic functions of the frame—to establish the paintings' identity, its separate existence apart from the mundane traffic of everyday life — became also liable to conflict with the need for its style to conform to the overall style of a room's decoration.

In England, Tudor or early Stuart frames — black with a minimum of modelling — were *joiners' work, their separate*ness emphasised perhaps mainly by a couple of gilt fillets. By the mid-17th century, more elaborate settings were fashionable. One favourite type, known as the "Sunderland" frame, has the surface, gilt or often silvered, scalloped in low relief into an auricular rhythm. A long gallery hung entirely with these frames, as at Ham House or Althorp, complementing the baroque swirls of drapery and flower of flesh in Van Dyckian or (especially) Lelyesque portraits, ripples from one end to the other.

The scalloping of such frames contradicts the rectangular geometry of the shapes of most canvases, which is responded to in 18th century fashions in more palladian or neo-classic settings. Indeed, before the end of the 17th century, in a house like Dyrham for example, and then of course in the work of Kent and Colen Campbell, the dominance of the architect as interior designer prevails, picture frames echoing mouldings of door-cases and cornices. Then the articulation of an interior demanding picture frames can involve the commissioning of paintings to fit the frames rather than vice versa. The painting, as so often in Adam interiors, becomes primarily but one element in the composite decor.

There were, though, always alternatives available for the client. Some pattern books show precise drawings, in elevation and in profiled section, of available mouldings with prices stated per foot lengths. The French influence is predominant, Louis XIV or Louis XV, though the Carlo Maratti type was a ubiquitous and enduring favourite. If you were really fanciful (and well-to-do), there were possibilities of individual one-off freaking. There is a superb drawing here, signed by Thomas Chippendale himself, for a frame with "maritime attributes"—anchors, flags, masts a trumpet (why not?), quadrants, a whole boat—carved into a high-relief gilt decorative *complex, to suit some admiral* retired in comfortable well-endowed and nostalgic memories of past victories on the high seas, pictured in canvas perhaps by Scott. It was engraved for Chippendale's famous Gentleman & Cabinet Maker's Director (third edition, 1762). The scarcely less famous Linnell family's designs are strikingly represented in variety, from a proposal for a wall involving a clock frame, a chimney piece with frame above in positively pyrotechnic explosion of rococo virtuosity, to the chaster delicacy of Louis XV taste, and on to more austere neo-classic geometry.

The decline of the gilt carved wood tradition came at the turn *of the 18th century, especially* when the use of gesso or composition in applying the decoration to a basic wood rectangle set in. This was brittle, more prone to crumble, vulnerable to damp and even to dusters—but above all, being moulded, lacking the crisp vitality of finely carved wood. However, from the mid-19th century on, certain artists — not only Pre-Raphaelites (most notably Holman Hunt), but some academicians like Leighton—took great interest, designing highly idiosyncratic frames for their own works.

A few frames with their original paintings in them have been borrowed to supplement the loans of drawings. An astonishing tour-de-force, from as late as 1841, enclosing the portrait of James Wyatt of Oxford, frame-maker and doubtless carved by himself, features in high relief an armoury of the implements of his calling—squares, compasses, folding rules and so on. Interestingly, this parallels one of the earliest designs in the show, from Chats worth, by Samuel Watson about 1700. The National Portrait Gallery has lent its portrait by Opie of Mrs Delany, that admirable old lady (almost the Grandma Moses of her day) who in her seventies took to making cut-out coloured paper collages ("mosaics," she called them) of flowers and botanical subjects, which took greatly the fancy of George III. Gervase Jackson, in his admirable introduction to the very useful catalogue, says that the portrait's frame is the original designed for it by no less than Horace Walpole in 1780. That is almost, but not quite, accurate. When the portrait came to the Gallery in 1986, the frame was not quite complete. Walpole had designed, celebrating Mrs Delany's accomplishments, trophies at top and bottom of the frame. The Gallery only came to realise the former was missing much later, discovering that Walpole's design survived. The existing intricate and elegant top-knot, featuring musical instruments, scrolls and feathery foliage, was recreated, faithfully following Walpole's drawing, in Wiggins's workshop, then in Chiltern Street, where I saw it in progress some 25 years ago: excellent evidence that the delightful skill of the frame-making carver was far from extinct.

Mrs Delany, by John Opie

Mozart concertos/St John's

Max Loppert

In the latest instalment of their Mozart keyboard concerto cycle currently in progress in the concert hall and on record, Malcolm Bilson, John Eliot Gardiner and the English Baroque Soloists reached two of the sublime mature works—the majestic E flat, K482, and the inimitably graceful and tender A major, K488 (with an immensely spirited reading of the C major Symphony, K338 to separate them).

The advantages that accrue when the familiar combination of modern concert grand and modern orchestra combination is replaced by one of the appropriate period and kind have been so often recounted that one is wary of repeating the list. But particularly in Tuesday's performance of the A major, the intimacy of texture and timbre and the close focus of interpretative vision conferred a whole new range of delicacies, subtle sidelights, and confidential insights upon the argument.

This work came last on the programme; and by this time the band had found an ideal (ie as free of intonational flaw as the instruments themselves would allow) way of supporting and complementing Mr Bilson's admirable forteplano, which very properly and helpfully supplied a continuo part in the *tutti*. Mr Gardiner's view of this work is light, fresh, and forward; the F sharp minor slow movement pathos is not heavily tragic, but poignantly inflected (the woody plangency of the bassoon line came through all evening with wonderfully piercing fullness).

Mr Bilson himself I find puzzling, as I have done on previous occasions ("live" and on record): so light-fingered (apart from a splash of errors in the opening work), so stylish, and yet so curiously uninfluenced by the dramatic pressures and theatrical energies of both concertos. In the finales, the wit and merriment that Mozart draws from symmetrical phrasing repetitions seemed to pass him by almost entirely; often it appeared that the possibility of imbuing detail with extra intensity by means of the mearest nuance had simply not occurred to him. The added ornamentation was excellently spry and apposite.

March of the Falsettos/Albery

Michael Coveney

A *75-minute cantata for* domesticated freaks with easy access to psychoanalysis is an unlikely proposal for a West End musical. How fresh, how different, one hopes. William Finn's 1981 cult show arrives at the Albery from the Library Theatre at Wythenshawe in Manchester, where it was warmly applauded by Martin Hoyle. My own recollection of the British première at the 1985 Edinburgh Festival, performed by Californian students, is of *a modern soap opera set to* imitation middle-period Sondheim.

And so it turns out, with a risibly misfired opening number about four Jews in a room bitching, without the essential New York ingredient of self-laceration. The show model here is obviously Sondheim's *Company*, with its misogynist undertow and hectic, bruisingly disenchanted attack on conventional alliances.

The rancid tone, filtered *through familiar showbiz* assumptions about chorus numbers, emotive crescendos and riddle-me-ree smart-ass poetics ("Mendel loves to rub my back/Mendel's not a maniac," "I screw every morning then bathe and drink tea/After playing canasta disastrously"), is typical of much off-Broadway musical theatre writing of late.

It *looks* modern and it sounds interesting—apart from the excruciating vamp-till-ready *sequences because there are* no breaks between musical items and the hi-tech minimalist design by Chris Kinman conceals a six-piece band behind reflector Venetian blinds and cloaks the furniture and costumes in black and white (blacks, white and Jews — perhaps this is the new gospel of theatrical ethnic chic).

Marvin (Martin Smith) has a wife, a child, a psychiatrist and a male lover. That is to say, he has problems. "My father's a *homo" sings his 12-year-old son* (Damien Walker), wistfully. The wife Trina (Paddy Navin) interprets the duty she scorns to "keep the salmon on his plate/Every wife should pull her weight." Anyone who claims this stuff is wittier than Tim Rice, or Charles Hart come to that, is off his rocker.

That number builds to patently imitation Sondheim and, not surprisingly, the shrink (an ebulliently watchable shock-cropped Barry James *in designer shades) falls in love* with her.

A traumatic slap in the face resolves the action, such as it is, which fades on the lingering memory of the one extraordinary central number, the ethereal title song, and the touching advice of father to son that he must sing for himself as we all march along. Into the arid, computerised post-Sondheim global alternative to Andrew Lloyd Webber, no doubt. I'll jump off here.

Alastair Muir

Simon Green, Paddy Navin, Martin Smith, Damien Walker and Barry James

Geordie Gentleman/Playhouse, Newcastle

B. A. Young

John Bowen has not had much difficulty in adapting Molière's *Le Bourgeois Gentilhomme* to a Northumberland ambiance, for the situations need only a change of words not of action. G. G. Jordan, né Jourdain, has his dance lessons from a punk group who all claim to be Etonian Viscounts and his riding lessons on a pneumatic toy horse. His neighbour, Lord Lovett, bleeds poor G.G. for every available thousand, his triumph coming in a truly Molièrean way when he hides under the dining table to catch him with his trousers down, trying crudely to seduce the Marchioness whom he needs to add distinction to his line.

Mr Bowen's work is smart enough but he is overwhelmed by the broad comedy that is brought into the production by the director, John Blackmore. G.G. is played by a popular local stand-up comedian, Bobby Pattinson whose flamboyant gestures and familiar voice suggest that he would be as happy without the rest of the company. Of these, I mostly liked the ladies, Elizabeth Ashton as G.G.'s determindly common wife and Denise Welch and Lindsay Redman as his daughters. Miss Redman only dances but never speaks—very prettily in the current way, but no kind of example to her snobbish father.

The pop trio make the usual excessive noises and sing a pretty number called "Licensed Hands" that is used as a chorus to bring down the final curtain, as it were, there being no curtain at this theatre. Peter Rankin's Lovett should ask designer Claire Lyth to give him some less vulgar clothes, for inside them he is a reasonable shoot of the upper classes. The set is the kind of set Molière always has in today's English theatre—a vast, colourful hall with numerous entrances including a vast glass door upstage, leading to a garden.

Richenda Carey and Bobby Pattinson

English Chamber Orchestra

Andrew Clements

For Josef Suk all music-making aspires to the condition of chamber music. Few great violinists are so self-effacing, more willing to combine their gifts with their fellows. On Tuesday he appeared as conductor and viola player at the Barbican Hall with the English Chamber Orchestra, conducting Dvorak's E major Serenade and Mozart's B flat Divertimento K.281, joining forces with Ernst Kovacic for Mozart's Sinfonia Concertante K.364.

Suk's musical strength and easy expressivity emerged quite naturally in the Dvorak, yet he seems by no means to be a born conductor: his batonless gestures are rudimentary, and with an orchestra less used to taking its lead from the most fragmentary direction, the result could have been uncertain. But he works by encouragement, underscoring an accent here, moulding a line there, urging the music on. He is relaxed in slower music—the opening Moderato was very moderate indeed, unfolded with spacious elegance—unexcitable in the fast, though the finale did not *lack punch or decisiveness, with* the ECO chording perfectly in focus.

Yet more impressive than any perfectly rendered detail was the scale of the reading. I cannot imagine the Barbican to be a particularly rewarding hall for a string orchestra of modest proportions to perform in, yet without any obvious prodding the playing managed to convey a feeling of intimacy that was strangely affecting, as if Suk had merely gathered around a group of old friends to play his great-grandfather's serenade.

But where the Sinfonia Concertante demanded more overt projection it sometimes failed to get it. I'm not convinced it is a work in which one of the soloists can also double as conductor: Suk's viola playing always appeared to be only half there; it failed to match Kovacic's violin in power (though when *it did emerge the chording and* ample phrasing were marvellous to hear) while the orchestral tuttis lacked the sense of drama, the stage presence, that the soloists should expect.

Kovacic's contribution, sketchy in intonation and plain-suited in phrasing, could not make amends. The points at which the work should take wing — the first-movement cadenza, the magical dialogue of hushed strings and soloists in the Andante — remained earth bound. Suk watched his partner, tempered his approach to match, but failed to work a miracle. Had there been a conductor there as well, I fancy the end product would have been far more memorable.

de Peyer/Elizabeth Hall

David Murray

Gervase de Peyer's 60th birthday party goes merrily on and on, and on Tuesday it surfaced on the South Bank with another clutch of distinguished colleagues. The Brahms Clarinet Quintet came first, with the Amadeus Quartet offering sympathetic (if occasionally wispy) support. With time to warm up, everybody would doubtless have made more of its liquid contours; the actual effect was a bit private, though of course cultivated.

Gwenneth Pryor was an alert partner for the clarinettist in more late Brahms, the F minor Sonata op. 120 no. 1. The opening Allegro appassionato was nervy and somewhat stern (Brahms, I suspect, would have allowed himself more pedal than Miss Pryor did); the Andante un poco adagio, tenderly whispered, began plain Andante but relaxed and deepened as it proceeded. The *grazioso* movement was charming, and the Finale—with Miss Pryor now in much bolder spirit—had a fine flair, bright and decisive.

György Pauk and Peter Frankl joined the party with one of their best party-pieces at the ready, the *Contrasts* that Bartók wrote for Benny Goodman in 1938-40. One or two other clarinettists have completed the trio with Pauk and Frankl with great dash, but none better than de Peyer, who revelled in all sorts of timbres and was brilliantly clean in his roulades. The performance abounded in good humour and competitive jokes, and it was unremittingly, electrically exciting. Nobody will mind if this birthday party goes on for another year or two.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

March 20–26

Exhibitions

PARIS

Rembrandt: The exhibition of 341 engravings is exceptional for the proofs showing the stages of Rembrandt's creative process and its imaginative presentation. Landscapes, genre scenes, portraits and autoportraits and biblical scenes testify to the diversity of inspiration and the technical mastery of the painter who was the first to consider engraving as a autonomous artistic expression. Bibliotheque Nationale, 58, Rue Richelieu. Ends May 3 (4703 8126).

LONDON

The Royal Academy: British Art in the 20th Century is a major exhibition full of interest yet to some extent misleading. The mistake was to try and give a comprehensive overview of "The Modern Movement" – the show's subtitle. But the subject is just too big and the gaps are obvious. Concentrate on what is there, rather than what is not, and certain strengths in British Art in this century do manifest themselves. The Abstract tradition and its development deserves a show of its own, but here it is the figurative tradition, quietly expressionist, romantic and always idiosyncratic that makes its point. The British do not fit easily into schools and pressure groups of lasting or particular influence, but individuals bear comparison with the best of their foreign peers. From Sickert and Paul Nash, Gwen John, Matthew Smith and Stanley Spencer, to Bacon, Freud and Auerbach, there is much in which to take real pride. Sponsored by BP, the show ends on April 5 and moves to Stuttgart.

WEST GERMANY

Munich, Lenbachhaus, Luisenstrasse 33: Franz von Lenbach (1836-1904). The painter had himself built a Palast in the Italian renaissance style, finished in 1891. His widow then sold it to Munich in 1925. To mark the 150 anniversary of his birth, the Lenbach Villa will be redecorated with the original furniture and paintings of the artist. The exhibition displays 180 pictures and paintings in several rooms. Lenbach, celebrated above all for his portraits, studied at the academy for arts in Munich under Karl von Piloty. Ends March 29.

ITALY

Milan, Pinacoteca di Brera: Impressionist Paintings from American Museums – 47 works from the splendid collections held by the Metropolitan in New York and the National Gallery in Washington. Includes works by Boudin, Cézanne, Corot, Degas, Van Gogh, Manet, Pissarro, Renoir and many others. Ends May 10.

SPAIN

Madrid, Gilbert and George. British Artists exhibit spectacular murals defined as living sculptures demonstrating daily life. Palacio de Velazquez, Retiro Park. Ends Mar 29.

NETHERLANDS

Amsterdam, Nieuwe Kerk. Thursday sees the opening of the annual Art and Antiques Fair, this year combined with a special exhibition of Treasures from the Nieuwe Kerk. Ends Apr 5.

NEW YORK

IBM Gallery: This free exhibition space brings to New York shows created elsewhere, like the present offering of Pacific island masks and statues from the Tribal Art Centre in Basel and Mexican textiles from 85 tribal weavers. Ends April 25. 57th & Madison.

WASHINGTON

National Gallery (West Bldg): The Age of Sultan Suleyman the Magnificent explores the height of art and technical development during the Ottoman Empire in 210 16th century manuscripts, silver, gems, kaftans and ceramics. Ends May 17.

CHICAGO

Art Institute: A retrospective of more than 150 of John Singer Sargent's paintings, watercolours and drawings provides the first major overview of the artist's work in 60 years, with many of his famous full-length portraits, along with landscapes and informal drawings. Ends April 19.

TOKYO

Handscrolls and Picture Books from the Spencer Collection of New York Public Library. This exhibition, which has toured the US, consists of 82 scrolls and 32 illustrated books — all Japanese subjects. Scrolls are complete, and the most interesting include 8th-13th century calligraphic sutras, scenes from the 11th century Tale of Genji, and of everyday life in the Edo period (17th-19th century). Many have not been seen before. Apart from the beauty and miniaturisation of handscrolls (known as e-maki). They are especially valuable for the insights they offer into social history. The medium of the long hand-held scroll with its precise drawing executed watercolour permits whole anthropological scenes impossible in the larger screens and paintings. Suntory Museum of Art, Akasaka, within strolling distance of New Otani and Akasaka Prince hotels and offering splendid views over the city. Ends Mar 22. Closed Mondays.

Saleroom/Susan Moore

Popular Scandinavians

Sotheby's took the plunge yesterday and held the first sale in London devoted exclusively to Scandinavian painting and drawing. Rightly confident, as it turned out, in this promising but unpredictable new market, the firm offered 120 works dating from 1880-1930. While 10.2 per cent was bought in, the sale totalled an impressive £3,100,768.

Its greatest coup and risk—literally—Carl Larsson's 45 foot wide *Winter Solstice*, paid off handsomely, selling on target for £880,000 to Umeda, a Japanese dealer based in Osaka. Larsson painted this allegory of Winter based on Swedish mythology in 1911-15 for the National Museum in Stockholm, who refused to accept the controversial work. Although delighted, its new owner now faces the problem of where to store the two canvases — his gallery is not big enough.

Umeda also came to Sotheby's rescue by securing for £148,500 Kroyer's *Fishermen Pulling a Boat on Skagen Beach*, bought in at £140,000 on its last auction appearance. A private British bidder paid £385,000, double the estimate, for *Under the Birches* by Albert Edelfelt, a sun-dappled *plein air* tour-de-force painted in Paris in 1882. Different private Swedish buyers paid £231,000 for Sohlberg's night landscape in the Norwegian mountains and £121,000 for Anders Zorn's Impressionistic *Brewery Worker* (estimate £70-100,000). Frits Thaulow's *Garden at Sandasund* went to an anonymous bidder well above estimate for £104,500.

Such is today's vigorous interest in Scandinavian painting that a quiet Carl Holsøe interior with a woman and a cello, sold by the Bury Street Gallery for about £6,000, before the *National Gallery's Danish show* in 1984, was now estimated at £15-20,000 and sold for £28,000. Most of the works in the lower price range, such as a number of Swedish landscapes, were not for general consumption, and will be repatriated by Swedish dealers.

Scandinavian paintings also appeared later at Sotheby's 19th century continental sale, but the surprise top lot was the American artist Fernand Lungren's street scene *Paris in the Snow*, 1873. Estimated at £10-15,000 it went under the hammer at £132,000. Carl Spitzweg's *Homeward Bound* of nocturnal revellers also handsomely exceeded its estimate by selling for £99,000, while a *signed and inscribed* Italian landscape idyll by Corot also soared, going for £66,000 (both without premium).

A Purdey 12-bore gun, chiselled and gold encrusted with, among other motifs, pheasants in flight and a setter putting up partridges, by K. C. Hunt, was the top lot of Christie's sale of sporting guns and vintage firearms yesterday. Built for the female vendor in 1971, it now changed hands at £22,000, *comfortably above the estimate*. The 87 lots, including the 7 per cent bought in, realised £210,650.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday March 26 1987

Paris group power games

THE CONCERTED intervention which stabilised the dollar in the world currency market yesterday was the first open demonstration of the Paris accord in action. Simultaneous buying in New York, Frankfurt, Tokyo and London (within the limitations of time zones) was sufficiently unusual to stop speculation in its tracks. The markets again demonstrated that they are in no mood at all to test the new currency limits in any aggressive way; they simply want to know where they are.

As long as this mood persists, traders in goods as well as those in the financial markets can look forward to a relatively peaceful interval; but can it persist for any length of time? That depends on the answers to three partially interlinked questions, all of them difficult.

First, has the dollar yet declined far enough to encourage the massive adjustment which is needed? If it has declined far enough, or when it does, can politicians and markets muster the patience to sit out the long interval before the actual adjustment is achieved? And can the Paris agreement itself survive the long gap before the promises to co-ordinate policy begin to be fulfilled?

Greater doubt

The question of an appropriate value for the dollar now divides economists sharply, but the majority still believe that it has a bit further to go. The markets, which tend to watch the current trade figures, have no doubt of it, which is why it is always the bottom end of the range which is tested.

Economists have to try to forecast future balances, and judge how readily a persistent but narrowing deficit could be financed in the markets, which leaves the issue in much greater doubt. For a number of strong reasons the US seems likely to remain a capital importer for some years; the demographic balance is likely to generate excess savings outside the US, and deficient savings within it, until the early years of the next century. This means that the heroic adjustment which might justify a massive further dollar devaluation is unnecessary.

However, the dollar has so far been devalued sharply only against the major trading groups represented in the Group of Seven; its effective trade-weighted devaluation is still quite modest, and the currencies of some of the fastest-growing of the newly industrialised countries are now clearly undervalued. This fact is likely to stir up continuous turbulence in the currency markets; and it is also the source of greatest strain on the political patience which will be needed to keep the agreement in being.

Protectionist pressures in the US Congress remain strong, and are likely to grow stronger as the next elections draw nearer, and the need to pacify sectional lobbies becomes more pressing. The actual trade threats originate increasingly from countries like Korea and Taiwan; but resentment of Japanese trading methods in industrial markets and European farm protectionism is now ingrained and instinctive—and is still, it must be confessed, quite largely justified.

The victim

The Paris agreements were presented as promising to solve these problems through simultaneous currency realignment and policy co-ordination, given time. If competition from other sources keeps the US trade deficit at crisis levels, and provokes ever louder complaints of unfair trading, then the agreement may be the victim, even its members are helpless spectators.

For the time being these threats can certainly be contained, while increasing diplomatic pressure (backed by the implicit threat of trade measures) is brought to bear on the new surplus countries. At the same time, however, progress in changing macro-policy in Japan and Germany remains almost imperceptible; and while the US Administration appears patiently understanding at the moment, Congress is less so.

For as long as this stand-off persists, the Americans are likely to persist with the reminders they have been conveying through the currency markets, flirting with the lower Paris limits and so ensuring that hard-pressed exporters in those countries will keep up strong pressure on their governments. It is at best a rather nerve-wracking prospect.

A warning from King Fahd

FOR ALL the ceremonial trappings of his first state visit to Britain this week, King Fahd of Saudi Arabia is carrying an important political message for Mrs Margaret Thatcher.

It does not concern Syria, though the consensus-minded Saudi monarch would probably not be displeased to see some rapprochment between London and Damascus following their diplomatic breach last year. Nor does it focus directly on the Lebanon, though Saudi Arabia and Britain do have some Beirut hostage experience to share.

Rather, the King has been attempting to address attention once again to the intractable conflict at the root of the Middle East's problems—that between Israel and the Arab world. Neither the familiarity of what he has to say, nor the elliptical courtesy with which he says it, should tempt the British Government to give it any less weight.

Commercial partner

There can be no doubting the importance which both governments attach to maintaining the closest possible relations, whatever the occasional signs of mutual incomprehension between the peoples of Saudi Arabia and Britain. There was genuine warmth in the tribute paid by the Queen on Tuesday night to King Fahd's Middle East diplomacy, and in particular to the peace plan bearing his name which was adopted by the Arab summit in Fez in 1982. This was the Arab world's first implicit recognition of the right of all states in the region, including Israel, to exist in peace behind their pre-1967 borders.

Saudi Arabia is also a commercial partner of considerable importance for Britain, especially since the 1985 deal under which the Saudis are buying £5bn worth of Tornado aircraft and other equipment.

Yet despite the intimacy on display this week, a warning note is also being sounded. The King is out to remind Britain—and through it the US—that the ultimate fate of Western interests in the region as a whole will most probably depend on a resolution of the Palestine dispute. The message takes on additional urgency at a time of almost total stalemate in the Middle East peace process, and in view of the threat posed to western-orientated regimes by the radical rulers of Iran.

For the Saudis, it seems particularly timely to make the point to Mrs Thatcher, given her close personal ties with President Reagan, her imminent visit to the Soviet Union, and the impression that she will be presenting something of a common European stand there following her trips this week to Paris and Bonn.

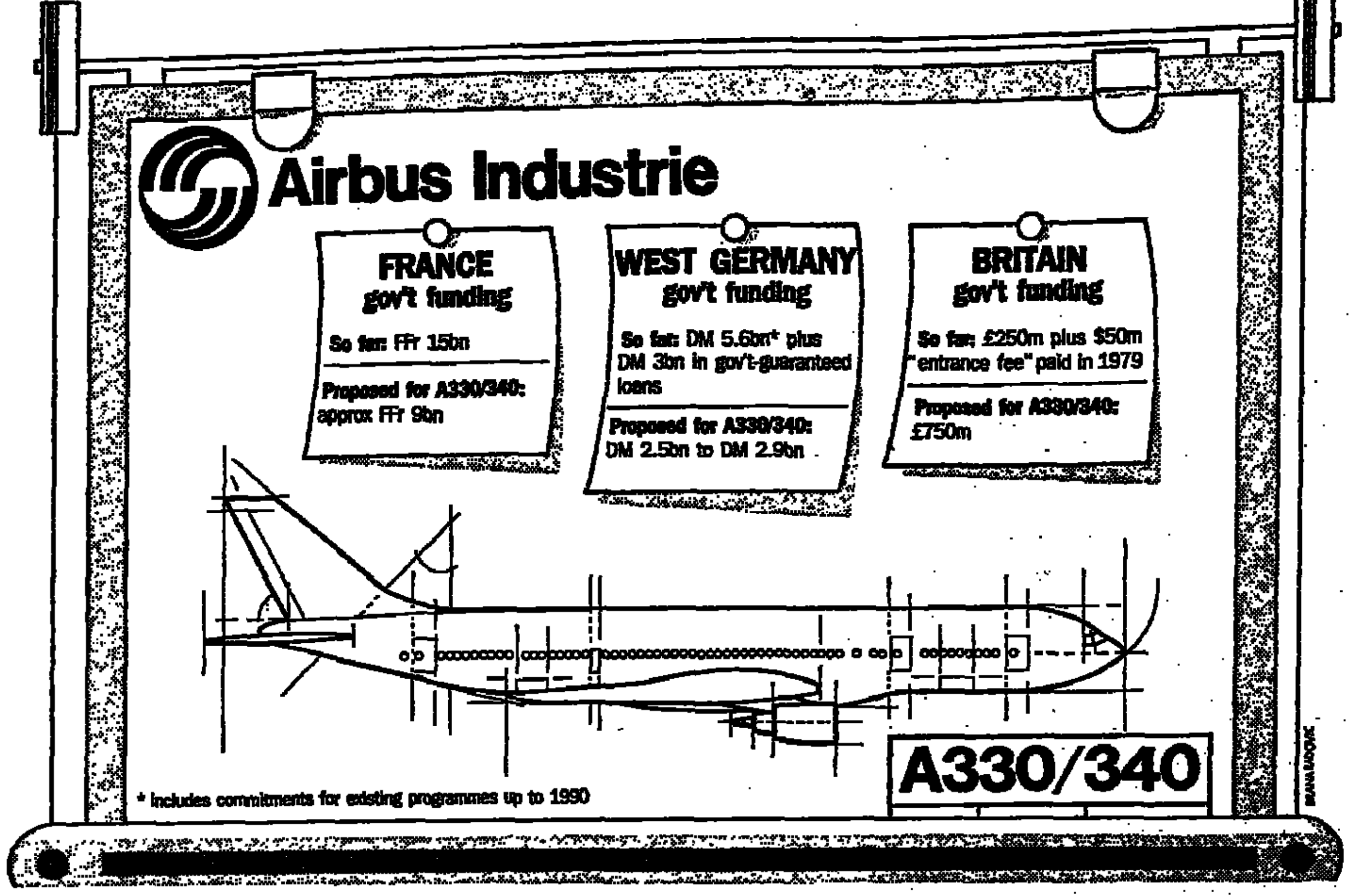
Frustration among moderate Arab leaders at the lack of progress on the Arab-Israel dispute has been evident for years. But their spirits have reached a particularly low ebb in recent months, in the face of increasing disarray in the Arab world and among Palestinians; apparent paralysis in Israel's grand coalition; and the lack of a constructive policy for the region in Washington. The Irangate disclosures—and the bewildering Saudi involvement in the scandal—are merely a symptom of this confusion.

A recent statement by the European Community that it favours the holding of an international conference on the problem has been seized on, as much in desperation as in hope, by countries like Jordan and Egypt. But there has hardly been any attempt to agree the shape of such a gathering.

Activist role

What is more, the EEC's own position merely amounts to something of a lowest common denominator; some of the smaller member states are keen on adopting a more activist role, while Britain has made no secret of its scepticism over what can be achieved without an active policy push by the US. Mrs Thatcher has been notably wary of trying anything since the embarrassment surrounding the cancelled meeting between Sir Geoffrey Howe, the Foreign Secretary, and two Palestine Liberation Organisation representatives in London in 1985.

Neither scepticism nor embarrassment are sufficient reasons for European inactivity. In the end, of course, US participation and persuasion will be essential. But unless the British Government simply disbelieves King Fahd's warnings, it has a duty, with its European partners, actively to exert Europe's influence in the search for a revival of the peace process.



Up on a wing and a prayer for cash

By David Marsh in Bonn

MAKE OR BREAK time is approaching for Airbus Industrie. The four-nation European airline consortium has struggled for two decades to stake out a permanent presence in the skies against the might of Boeing and McDonnell Douglas of the US.

Now it is straining to climb at last to cruising altitude at a time when the risks of a crash have never seemed greater.

Governments in Bonn, Paris and London are being called upon to put up $4bn in taxpayers' money to support the planned new generation of A-330 and A-340 airliners. As an exercise in the provision of state-backed international risk capital, it is unlikely to be matched by any other single industrial project this century. Airbus hopes to launch the programme formally in mid-April.

The forces of industrial logic, political expediency and financial rectitude are pulling Airbus's paymasters in different directions.

"It's a web of intersecting interests," says a senior German Economic Ministry official. Before freeing funds to finance the aircraft, governments want to see firm airline orders for the A330-340.

But at the same time, "There can't be firm orders until they launch the plane. It's the chicken and the egg," says Mr Bernard Friend, finance director of British Aerospace, which on Tuesday attacked as "totally inadequate" the British Government's response to its request for £750m in launch aid for the programme.

McDonnell Douglas's latest offer of wide-ranging co-operation with Airbus, revealed yesterday, has deepened the plot.

Airbus and McDonnell Douglas are at present slogging it out for second and third place in the world airliner stakes, well behind the dominant Boeing. They are offering two long-haul aircraft for the 1990s—the MD-11, derived from the long-serving DC-10, and the A-340, both still largely on the drawing board—which will compete in the same relatively cramped market sector.

The MD-11, firmly launched at the end of last year with commitments for 119 aircraft, has a head start. Although described witheringly by Airbus as an "old technology" aircraft, the MD-11 will be in service by 1991, possibly two years or more ahead of the A-340. And all the time the gap between the also-rans and the giant from Seattle, which registered record sales and profits last year, continues to widen.

Since negotiations with Airbus broke down last September, McDonnell Douglas has again put forward ideas for pooling forces in recent talks with government and industry representatives from the three leading Airbus partners. "It's the intelligent thing to do," says Mr Jim Worsham, chief executive of Douglas Aircraft, McDonnell Douglas's civil aviation arm, who says he has detected "some considerable interest from companies and governments" in Europe.

Mr Worsham has put forward the idea of collaborating over technology, production and marketing across a range of aircraft types from jets of below 150 seats up to jumbos which could compete head-on with the Boeing 747.

Such co-operation is thought by senior officials in London and Bonn—but also by some within Airbus Industrie itself—to provide the best chance of taking Boeing on.

But the Airbus issue is now the focus of increasingly intense political pressures and questions of national prestige on both sides of the Atlantic.

The decision to launch the A-330 (a twin-motor medium to long haul airliner) and the four-engine A-340 will shape not only the world airliner market in 1990s and beyond, but also western Europe's technological relationship with the US.

The trio of Airbus governments face the challenge of seeing through the smoke of the lobbying battle—and making their way to a financial and industrial decision capable of standing up to scrutiny in 20 years' time.

It is the inevitable culmination of Europe's move in the 1960s to claim a share of the multi-billion dollar world market for jet airliners.

The thrust came at first from France and West Germany, with British Aerospace coming in as a 20 per cent shareholder only in 1979. This brought the UK back into the project after the Government had pulled out in 1967-68 following Rolls-Royce's decision to place its RB-211 engine on the Lockheed Tristar rather than working with the Airbus. This had left Hawker Siddeley to carry on as an associate partner in Airbus on a private basis. Today, Aerospatiale and Deutsche Airbus (owned by Messerschmitt Boelkow Blohm) have 37.9 per cent each, with Casa of Spain owning 4.2 per cent of the consortium.

Boeing, with its large spread of aircraft, is able to finance losses in cyclically weak sections of the market by big profits on heavy-selling aircraft in areas such as the 747 where it has virtually a monopoly.

In order to survive, Airbus's most fervent supporters have always argued that it would need a family of airliners covering the full spectrum of range and capacity.

AIRBUS FAMILY

	Seats	Range (Statute miles)
A-300-600	270	4,060
A-310-300	220	5,270
A-320*	150	2,170
A-330†	330	5,500
A-340-200†	260	9,000
A-340-300†	295	8,000

* Not yet in service.
† Not yet launched.

Additionally, a view held with most conviction by the French, a long term approach is needed.

The airliner business has uniquely long lead times. Aircraft can take five years to develop, are produced over 15 years and then remain in service for 20.

Because of the cruel logic of the so-called "learning curve" in aircraft production—under which the first aircraft in the series can cost four times as much to build as the 250th—early aircraft are produced and sold at a large loss.

Profits appear only after a generation—giving a huge advantage to Boeing whose sales of well over 5,000 jet airliners dwarf airbus's tally of around 700.

"There is no other way but to enlarge the range of products," says Mr Michael Lagorce, director of civil aviation programmes at the French Transport Ministry. "When we launched Airbus Industrie, we knew it would take 30 or 40 years."

Airbus argues that unless steps are taken now to go to a full "family," investment in its previous aircraft—the wide-body A-300 and A-310 and the A-320—may prove to have been wasted. "It's the best way of exploiting the investment already made," says Mr Robert Whitfield, Airbus Industrie's senior vice-president in charge of finance.

The problem is that the European Governments, which have already put more than $5bn into Airbus over its 17 years of operation, are being asked dramatically to increase the stakes at a uniquely difficult time.

Public sector spending pressures make financing Airbus a much more difficult proposition than even five years ago. Perhaps 25,000 jobs in Europe depend directly on Airbus—a small number to be protected through the spending of $4bn.

In view of the risks attached, the debate going on within the UK Government, and to some extent in Bonn too, is whether the recourse to taxpayers' funds could be made smaller, and the likelihood of a pay-back greater, through a link-up with McDonnell Douglas.

The UK Government does not want to be seen pushing Airbus into co-operation with a US competitor. But this is certainly a background factor behind the Department of Trade and Industry's only lukewarm response to the BAe launch aid request.

The position is more clear cut in France, where Mr Jacques Chirac, the Prime Minister, has publicly committed himself to extending the Airbus range. Although they point out that Aerospatiale is already paying back some credits on the Airbus programme, French officials accept with equanimity that even on the most optimistic assumptions, the consortium is not likely to start giving a return on capital until the middle to late 1990s.

A new injection of funds is being urged at a time when the A-320 airliner, due to enter service in 1988, is still gobbling up large chunks of development cash. So far the A-320 has proved a winner with world airlines.

It has chalked up about 440 orders and options. The success story, underlined by a recent series of billion dollar orders with Northwest Airlines, All Nippon Airways and a joint venture set up by Guinness Peat Aviation, has considerably added to Airbus Industrie's confidence in promoting the A-330/340.

But even the A-320 will not make a return on invested funds until about 600 aircraft have been delivered and paid for. This point is not likely to be reached until 1998-99, says Mr Lagorce—although it could come earlier, at around 1996, if production rates are speeded up.

British Aerospace is now mounting a campaign to overcome reluctance from the British Government to put up the £750m BAe says it needs to finance development and initial production of the A-330/340. In practice, BAe seems unlikely to get much more than half that amount.

BAe's Mr Friend says "aerospace is not the industry to choose" if Britain wants only to support industries making short-term profits.

He adds that BAe, which has already £1bn of its own money tied up in civil aviation projects, would find it impossible to finance participation in the A-330/340 without substantial government support. "We are not going to be a Rolls-Royce 1971," referring to the bankruptcy of the British engine company after its disastrous involvement with Lockheed.

The project for the A-330 and A-340—which will have common wings, fuselage and electronics systems—has also been strongly influenced by the current US campaign against allegedly unfair Airbus subsidies.

Somewhat belatedly, Washington now appears to realise that US protests about Airbus competition have ended up strengthening European solidarity.

The visit to Europe of two top-ranking US officials in February, to protest against subsidies received a general rebuff from London, Bonn and Paris and appears to have been a major tactical error.

Mr Geoffrey Pattie, the UK minister responsible for aerospace, generally in favour of links with McDonnell Douglas, raised the hackles of the emissaries. He was later said by US officials to have been "obnoxious and insulting" in decrying US support for Boeing and McDonnell Douglas through military orders.

One official close to Douglas comments: "It was a complete bloody shambles. Two so-called diplomats came over and dropped bricks everywhere—and Europe suddenly united around the A-330/340."

The market will be the final arbiter for the Airbus ventures. Even the French Government, most closely wedded to keeping the A-330 and A-340 as a single project, which opposed all along any question of agreeing to McDonnell Douglas's suggestion last year of abandoning the A-340, says that the new programme will not be launched unless there is proof of economic viability.

That point has not yet been reached. At a board meeting in Toulouse a fortnight ago, Airbus announced it had commitments for 104 aircraft from nine largely unnamed airlines. Only one—West Germany's Lufthansa—has yet lodged a firm order.

Officials at the Bonn Economics Ministry say that, on the face of it, Airbus Industrie appears to have more than enough commitments to go ahead with the A-330/340. Then they list the very real impediments, ranging from the hesitancy in the UK to doubts over the new international Superfan engine planned to power the A-340 and the need to decide a new capital structure for Deutsche Airbus, which are still holding up a firm decision.

The next few weeks should show whether all the factors come together in Airbus's favour—or whether there are still some surprises in store.

Men and Matters

Volcker's aide quits Fed

Steven Roberts has stuck closer than most to the 6 feet 7 inches frame of Paul Volcker, chairman of the US Federal Reserve. Now, three years after becoming Volcker's chief assistant at the Fed, Roberts, 42, is joining Peat Marwick's Washington office as a partner in the accounting firm.

Washington pundits, speculating on whether President Reagan will reappoint Volcker for a third term, detected a small straw in the wind on Tuesday as Roberts spent his last day at the Fed. But their "No Roberts, No Volcker" theory does not appear to stand up.

There are no clues to be gleaned from his departure, says Roberts. He struck a gentleman's agreement with Volcker in 1983, setting a minimum stay at the Fed.

Over the past three years, Roberts has been Volcker's eyes and ears on Capitol Hill. As a former chief economist to the Senate Banking Committee, chaired then, as now, by Senator William Proxmire, Roberts had an intimate knowledge of the legislative process and the lawmakers themselves. He counts among his successes the passage of two bills in the House Banking Committee which bore Volcker's imprint, and which broke the log-jam on interstate banking. Roberts was instrumental, too, in expressing and executing Fed monetary policy.

He compares himself to a quarterback in American football who just takes the coach's orders and does not go for individual plays—a Paul Simms of the New York Giants rather than a Jim McMahon of the Chicago Bears.

But this underestimates his talents as seen by Peat Marwick, one of the top US accounting firms. Roberts will be responsible for the firm's regulatory consulting practice—a growing business because Peat Marwick has more banking and savings and loans clients than other firms. With a new banking bill edging through Senator Proxmire's committee and regulatory issues again under debate, Roberts will have a central role to play.

"It's executive stress—I'd resign from the Health Education Council if I were you."

Race-course

Ten weeks before the race at Epsom, the owners of some of the horses entered in the 1987 Ever Ready Derby showed little optimism at the sponsor's lunch in London yesterday.

The Aga Khan, who won last year with Shahrastani, admitted he was not so hopeful this time. The bookmakers seem to agree. None of his 10 entries is rated better than 50 to 1.

Robert Sangster, with six entries, suggested it would "not be my year."

If sheer weight of numbers is anything to go by, the Maktoum family should have the odds on its side. Sheikh Mohammed has 22 entries, including the current third favourite, Ajdal, and other members of his family have put in another 21, making up more than a fifth of the 206 entries. Ajdal, says trainer Michael Stoute, is being trained for the 2,000 Guineas — "and we'll see how we go from there."

Sir Gordon White, chairman of Hanson Industries and the moving spirit behind Ever Ready's sponsorship of the Derby until 1991, has a possible runner this year in Russian Rover. But he clearly expects to get a better return from "the leg" he has bought in the favourite, Reference Point.

A quarter share of the winnings will be worth picking up. At the moment, it looks as if the total purse for the race will be more than £450,000, of which the winning owner will take around £200,000.

Solomon's seat

Jonathan Solomon's uphill struggle to win a significant role for Cable and Wireless in the Japanese market has won the most public endorsement possible back home in the UK. He has been appointed to the board — or the Court of Directors as C&W still insists on calling it — as the executive responsible for corporate strategy.

Solomon, 48, has shouldered the main burden of the negotiations with the Japanese over the last 12 months, as the UK international telephone service group tried to grasp a key role for itself in Japan's proposed new international telephone service. Although the group has just suffered a serious rebuff to its plans, it looks as though he will have plenty more negotiating to do. C&W insists that it is not accepting the Japanese proposal to dilute its stake to no more than 3 per cent in the new company.

The voluble Solomon has only been in the private sector for two years. Like the Japanese he has been facing across the negotiating table, he used to be a civil servant. From 1980 to 1984 he had a key part in formulating the UK's policy on telecommunications deregulation as an under secretary at the DTI.

He gained a reputation there for immense energy combined with the ability to spark off bright — and occasionally impractical — new ideas. Cable and Wireless, privatised in 1981, has given full rein to this imaginative bent since it poached him in 1985, giving him responsibility for its expansion strategy. This includes the grandly-entitled notion of the "global highway," a Cable and Wireless optical fibre telephone cable which winds half-way around the world from Europe to Tokyo—Japanese willing, of course.

Home views

Home Office ministers have been pontificating for years about the great opportunities offered by the development of cable and satellite television. They have praised it, they have legislated for it — but not actually seen much of it.

Now all that is about to change. Rather belatedly, the Home Office has decided to enter the age of satellite television and put a dish aerial on the roof of its headquarters

There was a plan to retrieve a dish from Prof Alan Peacock's garden in Edinburgh — provided for his inquiry into the future of British broadcasting. But it was firmly set in concrete and would have cost too much to ship to London. So the Home Office is going to put out a tender for a dish of its own.

Before long, when ministers tire of the work of introducing the free market into British broadcasting, they can put their feet up and enjoy repeats of Charlie's Angels on Rupert Murdoch's Sky Channel.

Observer

هكذا من الأصل

Economic viewpoint

The right way to tax houses

By Samuel Brittan

READERS may have noticed a recurrent theme that, so far from being obsessed with markets and prices the Thatcher Government does not understand their operations in key areas, and that some key policies distort market forces rather than make intelligent use of them.

A dramatic example was presented by Matthew Parris in last Sunday's television programme Weekend World. This concerned a young man, Bill Morris, who moved from Hull to Shepherds Bush, London, a year ago because he could not face the prospect of years on the dole. He first worked as a barman and has now found employment as a bus conductor.

But he has to lodge in a room at a workmate's, having no home of his own; and his wife and family are still in Hull. He cannot afford to buy a house or find rented accommodation within his means. Next time he hitch-hikes home it may be for good.

Some of the blame can be placed on rent controls which have reduced the supply of privately rented accommodation from 90 per cent of all homes before the Second World War to around 10 per cent today. (Council housing reached a peak of 32 per cent in 1978 from which it has since fallen to about 27 per cent.)

Alas, there is not the slightest sign of realistic policies for phasing out rent control. The Cabinet turned down the idea of freeing new tenancies a couple of years ago, even though existing tenants would be assured of full security at "fair rents," and decontrol would thus be gradual. John Patten, the Housing Minister, was also very hesitant about the chances of such a measure in the next Conservative manifesto, on the same Weekend World programme.

The problem with more ambitious rent decontrol is that it would only increase the supply of rented housing if it were expected to last. Political unpopularity arises because mere decontrol does leave existing tenants worse off. A scheme that could overcome opposition would have to avoid the distributional changes, and yield benefits quickly and preferably in marketable form.

A plan for doing this, which I suggested in the late 1970s, has lately been revised and developed by another author. Martin Ricketts (Lets into Leases, Centre for Policy Studies, 1986). This is that rights to rent-controlled property should be fully specified and then made tradable. Ricketts suggests that the property rights should generally be for five to 10 years, confined to unfurnished accommodation and to tenants who have been in occupation for a minimum period. For council tenants the occupancy rights could be lifetime ones. Final decontrol would arrive as the leases ran out. But, well before that a flourishing market in secondary letting would arise, either directly or through financial intermediaries.

This would be the nearest equivalent to a free lunch from a policy point of view. For a willing existing occupant and a willing secondary tenant would be able to agree to an exchange to the advantage of both. Existing rights would be preserved and no one would be worse off. Yet Mr Patten seemed extremely cool towards this proposal too when it was launched.

Government thinking centres not on general measures but special schemes such as "Assured Tenancies" under which certain earmarked newly built accommodation can be let at market rents. So far only 600 dwellings have been built under the scheme. It has now been extended to refurbished accommodation, but for housing associations only. The Government is providing £30m in the hope of attracting £70m from private sources: a drop in the ocean, even if local authorities also contribute, as Mr Patten hopes.

What Mr Patten could have said in his own defence is that more ambitious decontrol needs to be accompanied by other measures politically contentious on the right. Decontrol will be less effective and meet more political opposition than necessary unless it is accompanied by measures to take the pressure off house and land prices, especially in London and the south-east. Otherwise, the cost of rented homes would be prohibitively expensive for workers moving into that part of the country even if rent controls were phased out irreversibly.

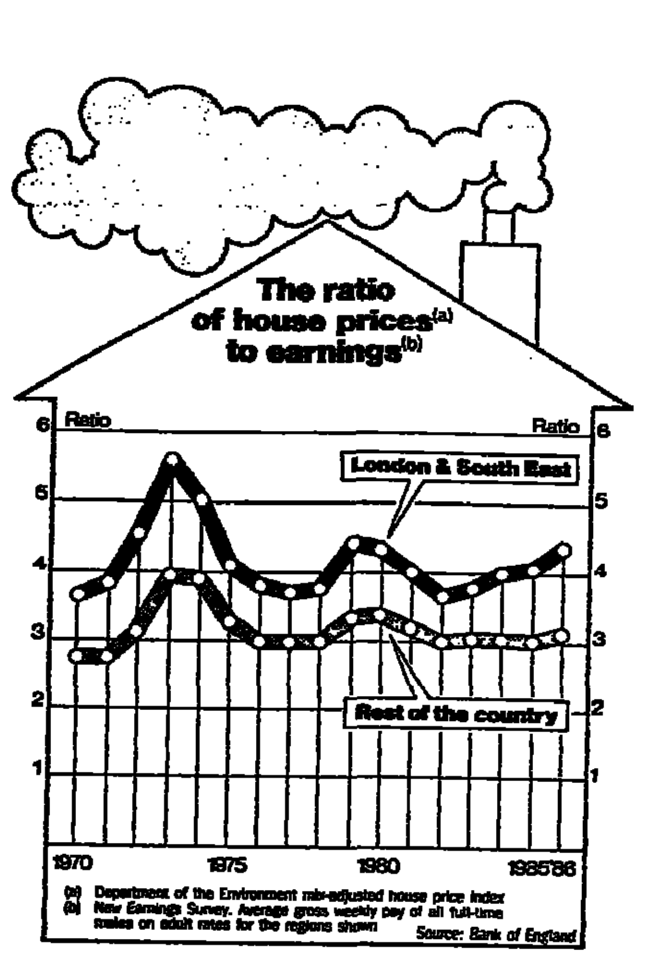
The accompanying chart shows that there is nothing particularly alarming about house prices in most of Britain, where they are close to the historical relationship of three times average earnings. But in the south-east where the ratio has always been high, it has moved up further to nearly 4½.

The economist John Muellbauer, in some papers available at Nuffield College, Oxford, has made a more sophisticated estimate of the "cost in terms of wage income" of the difference between the price of houses in the south-east and elsewhere. In contrast to the Bank of England's estimates this measure of relative house prices now exceeds even the peak of 1972-73 before the collapse of the Heath-Barber boom and the secondary bank crisis. Another vulnerable aspect is that land now represents about 40 per cent of house prices in the south-east compared with earlier norms of 20 per cent.

There is no need to predict a crash along the lines of 1974. The rise in the cost of moving is damaging enough without it. For the high cost of mobility increases the amount of unemployment to be found at a given level of labour demand as shown by vacancies. This puts a floor under the level of unemployment which can be achieved without an inflationary take-off.

The immediate effect is that it is sometimes difficult to recruit new key workers and thus to fulfil the very encouraging order books revealed by the Confederation of British Industry. Comparative surveys suggest greater skill shortages in Britain than West Germany despite a higher rate of unemployment in Britain. The eventual effect is an increase in nominal and real wages, which is likely to be the trigger for the next economic downturn.

Another implication is that the benefits of localised pay bargaining, for which ministers intermittently call, can be offset by increases in housing costs.



The pressure on house prices in the south-east is aggravated by many features: planning control, the combination of mortgage interest relief and the absence of capital gains tax on residences, and the unsatisfactory taxation of house values through domestic rates.

Rates are based on relatively arbitrary and grossly out-dated valuations. The poorest local authorities often levy the highest rates, thus discouraging development in a self-aggravating way. In addition, voters on housing benefits can enjoy representation without taxation.

Unfortunately the proposed substitution for domestic rates of a "community charge" ie poll tax on all adults—to be started in Scotland in 1989—will aggravate many of the above defects.

There used to be a national tax on imputed rentable value known as Schedule A. But it fell behind realistic market levels and was abolished in a Conservative "reform" of 1963. If domestic rates are also abolished, with no comparable replacement, the last vestiges of tax on income from home ownership will have gone. A landlord who lets out a house will be much worse off than one who lives in it himself.

The Government's own Green Paper estimated that the switch from rates might raise house prices by 5 per cent. The estimate has been challenged, for instance, by Gordon Hughes in a paper for the Centre for Economic Policy Research in London who estimates price increases ranging from 12 per cent to 25 per cent.

Muellbauer has an ingenious idea for bringing back taxation of imputable value in the context of rates reform. He starts off with the Government's own proposal for a nationally set rate on business property. He believes this change will reduce disincentives for business to invest in the depressed regions. He would use the same system for households: a national tax at a nationally determined rate "on the imputed value of rent based on the market values of private dwellings." This would replace domestic rates as a source of local authority income and could perhaps also raise additional revenue.

The tax on imputed rents would be made progressive by aggregating imputed rents with other incomes in the income tax system and perhaps also by an exemption limit.

The higher taxes paid on more expensive properties would increase incentives to rent them out and thus facilitate the revival of the rented sector. There would be incentives for a more efficient utilisation of the housing stock with fewer dwellings standing empty.

The progressive nature of the new tax would bring about a relative reduction in the price of the cheaper properties bought by first-time buyers. Prices in the south-east would diverge less from house prices elsewhere. This would not only help workers to move. It would also reduce the concerns of managers, who now fear that if they take a post outside London, they might forgo capital gains and face capital losses if they eventually move back.

Another thought is that a small entrepreneur might be more inclined to plough back £100,000 into his business rather than move up the housing market, which he would attempt to do today.

In the absence of a reform on Muellbauer lines, we are likely to see pressure for much larger parallel subsidies for approved landlords building homes to rent on Assured Tenancy lines. The goal of lower tax rates and fewer exemptions would thus become even more remote; and demand for accommodation and land would be artificially boosted in an overcrowded corner of an overcrowded island.

T. S. Eliot was thinking of much deeper truths than any in the housing market when he remarked: "Human kind cannot bear too much reality." But it applies here too.

As I fear that no political party will move to tax house values effectively I would still want to press two very important compromise reforms. The first would be Frank Field's idea of putting a ceiling on the revenue cost of mortgage interest relief (and other tax privileges) which would thus become a fixed pool and gradually decline as a proportion of total incomes and asset values.

The other is the much canvassed idea of disallowing mortgage interest relief against the higher tax bands, in return for a reduction of the top marginal tax rate to something more internationally competitive than the present 60 per cent.

But I end on a predictive note. If you want to spot the end of the present boom, don't look at the international debt or the British balance of payments, but at the interaction of the domestic housing and labour markets. That is where trouble lies.

Lombard

Protecting her revolution

By Joe Rogaly

AS THE Alliance moves ahead in the opinion polls the old debate about proportional representation follows a few steps behind. Do not dismiss it out of hand: it could become very important indeed. The reason why is easily explained, although the explanation often falls on deaf ears. Proportional representation, with its built-in bias towards coalitions, is one of the most effective counter-revolutionary weapons to be found in the arsenal of constitutional defences against extremist government. That is the essence of the matter: protestations that a proportional system is fairer count for little when set against the central argument.

You will see at once why the response to this often ranges from a simple "so what?" to a more negative, "but we want a clear direction." The people who say "so what?" are really saying that they do not perceive any immediate likelihood of an extremist government coming to power, and certainly not while Labour is in such dire straits. The others, the ones who want clear direction, are likely to be satisfied with the Thatcher revolution, and anxious that nothing should dilute its prospects in a third term.

There the debate might end —if it were not for this week's reports about the effect of a large turnout for the Alliance on the prospects of both Labour and the Conservatives. A certain size of Alliance turnout would neatly divide the opposition and give the Tories another majority government. There would be nothing more to be said. A slightly larger turnout for the Alliance—veering up towards the 30 per cent —might leave the Conservatives as the largest party, but oblige it to talk business (and electoral reform) if it wanted formal Alliance support for a new government.

Larger still — say 33 per cent and above — and the Alliance, which came second to 263 Conservative as against 49 Labour MPs in 1983, really might find itself holding the ladder against the back window of Downing Street while Mr Kinnock climbed in. We would then have a unilateralist Prime Minister supported in office by an intake of MPs whose overall composition would contain many on the soft left and not a few on the hard. (The last time something like that happened Mr Ken Livingstone, who was previously unheard of, was elevated by the Left to head the GLC, even though the voters went to the polls under the impression that a quite different, and far milder, man would lead the party and the council.) We would then be able to see just how irreversible the Thatcher revolution has become.

There is no doubt that some form of proportional representation would put a stop to this. There is no majority for unilateral disarmament. There is a majority against a return to the old industrial balance of power in which the trade unions had the upper hand. The Labour Left attitudes to the police, council housing, public expenditure, and many other major issues are all without majority support. There could be no Labour victory under proportional representation and no Livingstone-style coup under any conceivable coalition. None of the seriously socialist policies would stand a chance.

For admirers of Mrs Thatcher there is, unfortunately, a price. Her revolution could not have taken place under a "fair" electoral system either. The Conservatives did not command anything like half the votes, let alone a majority, in 1979 and 1983; nor would they do so today. They would be forced to do business with, compromise with, the Alliance leaders. We cannot replay history, but some would doubt that the defeat of the trade unions would have been possible in such circumstances. (The Argentinians are another matter: Britain fights wars quite well under coalition governments.) Much of the rest of 1979-87 policy might have been perfectly possible, since it has been less radical than it looks.

So is the price worth paying? For many conservatives, the answer is "no" today. It could be "maybe" at 30 per cent Alliance support and "yes" a few points above that—but only if they comprehend the question.

Letters to the Editor

The old regime and the new

From Sir Bryan Hopkin

Sir, — Since publication (March 16) of the letter signed by five former economic advisers to the Government, of whom I was one, there have been criticisms in both letters and an article (March 23) by Mr Samuel Brittan. I would like to reply. I do not know what my fellow-authors would say but I hope they would broadly agree.

Several correspondents seem to think that our views can be discredited by a comparison between the economic experience of the country before and since 1979. Economic policy is, of course, made by ministers, not by economic advisers.

Taking the period 1947-79 as a whole and comparing it with 1979-86, we find the growth rate of GDP was on average much higher in the earlier period; the average level of unemployment was much lower, and the final level of unemployment also much lower, in the earlier period; and the average rate of inflation was somewhat lower in the earlier period, though the final rate of inflation was higher.

One must conclude, unless one thinks that nothing matters except inflation, that 1947-79 was a golden age compared with 1979-86.

Some critics will say that this comparison is too much influenced by the weight of the period 1947-73 when the outside environment was favourable. Mr Brittan says the sharp break in growth rates occurred after the oil crisis of 1973. So let us look at 1973-79 on its own. The understanding of what was going on was imperfect, mistakes were undoubtedly made, and there were some sharp reversals of policy under the pressure of events. The growth rate did slow down and unemployment rose. I do not know that anyone has shown convincingly that an alternative policy was available which would have coped equally well with the problems.

I cannot see how comparison with this experience can be said to show up the record of 1979-86 as one of "success." Over the period the rate of growth of GDP was not, on average, better than in 1973-79, and unemployment was far worse. The rate of inflation was reduced: but at what a cost! It is safe to say that ministers, Mr Brittan and ourselves would all be delighted if we could see a prospect of returning to the 1979 unemployment level.

Mr Brittan says of our letter that "we are not much help" because we "simply write that alternative policies exist." He must know of all the proposals that have been put forward. They include expansion of job opportunities for long-term unemployed, reduction of employers' insurance contributions, and increased investment in our decaying infrastructure. A programme of this kind would, for example, have done much more for the unemployed than the same money used to reduce the standard rate of income tax by 2p. In the weeks preceding the Budget much informed comment pointed out the directions for a policy designed to attack unemployment. The priority objective of the Budget did not lie in the reduction of unemployment. That is what is wrong with it.

I come to Mr Brittan's criticism that we fail — in common, this time, with the Government — to recognise that "the roots of high unemployment lie in malfunctioning markets, particularly but not only those for labour and housing." So far as the labour market is concerned, if what he means is that its functioning has a tendency in times of high employment to contribute a strong inflationary pressure, this is true and we and many others have been aware of its importance. But, does Mr Brittan maintain that markets are functioning conspicuously worse now than they did in the 1950s and 1960s? Surely they are not: so how can he find here the cause of the vast increase in unemployment since those years?

(Sir) Bryan Hopkin.
Aberthin House,
Aberthin,
Cowbridge, S. Glam.

Pension plans

From Mr W. Koch

Sir,—Practitioners, executives and members of occupational pension schemes will congratulate the Chancellor for some of his Budget proposals.

They will not, however, forgive him for the planning blight he will create and anxiety in the short run while so many questions remain unanswered. Many of the proposals leave as much debris as a rampaging elephant in a china shop.

If you are a member of one company scheme about to transfer to another, due to corporate reconstruction, will you be subject to the harsher limits laid down by the Inland Revenue? It seems so. If so, contractual difficulties could arise if previous expectations cannot be honoured.

Mobility of labour at senior level must be inhibited, especially for those close to retirement age. On the pre-Budget terms a person after 10 years could enjoy at normal retirement date a retirement income from his last employer of two-thirds final remuneration. Future job changers will find their maxium benefit cut by 50 per cent for the same service. Will retained rights from previous schemes reduce the figure further still? Personal pensions will not necessarily overcome that problem.

If you are a member of a cash benefit scheme who then pays additional voluntary contributions will you be forced to use AVCs to buy pension but your main scheme cash benefit could be taken as a tax free lump sum? So much for choice! We are told the Chancellor wants to cut down exploitation of the tax free lump sum facility. The majority of people vote with their feet and maximise the tax free lump sum unless they enjoy index-linked pensions. Not just the boardroom directors!

It is clear after the announcement of plans to dismantle state earnings related pension scheme by one minister, good occupational schemes are being savaged by another!

W. J. Koch.
Overshaw Cottage,
Lewes Road,
East Grinstead, Sussex.

Profit related pay

From Mr G. Copeman.

Sir, — I question the statement (March 23) from Messrs. S. Estrin and S. Wadhwani of the London School of Economics that "one might expect most of the cash-based schemes and a significant proportion of the share-based schemes to convert to PRP, since the tax advantages are greater."

In the case of profit sharing share schemes, there is full income tax relief and national insurance relief on the amount of profit invested in shares held for five years, whereas PRP offers only half rate income tax relief and no NIC relief.

In the case of executive share options, nothing is payable by the employee if there is no capital gain and when the option is exercised the gain is chargeable at capital gains rate, which is likely to be lower than the executive's income tax rate. Moreover, it is chargeable only when the shares are sold and if this is done slowly, it could come within the £6,600 free of CGT.

In the case of savings related share option schemes, participants are unlikely to have more than £6,600 gain, but if they do, they too can get it all free by selling in instalments.

It is not, however, a simple matter of balancing discounted future money against present cash, for employee shareholders have the mantle of mini entrepreneurs, able to influence individually, if managers, or collectively at least, if not, the outcome of the enterprise. If it succeeds, no amount of extra cash, within the constraints necessary if the firm is to be prudent in financing its growth, can possibly make up for missing out on having a stake in the business.

Professor Peter Moore, principal of the London Business School, has calculated that, given realistic assumptions such as the Investment Protection Committee guidelines, ordinary employees who participated in share schemes throughout their whole working lives and never sold a share, in a company which always made more than a real 20 per cent return on capital, could in a full working life end up with more capital than their entire life's pay.

This explains why, in the US, Sears Roebuck has made an *occasional dollar millionaire out* of an ordinary employee. The process does not, however, lead to employee control of any particular company, because most people, in a free society, change jobs several times in a working life.

George Copeman,
Wider Share Ownership Council,
94 St Paul's Churchyard EC4.

Booming industry

From Mr C. Bennett

Sir,—I am delighted that the Government has at last started to consider serious measures to reduce agricultural overproduction. May I make a suggestion which will aid it in its endeavours—namely that they introduce an immediate ban on the use of those deafeningly explosive gas guns with which the modern farmer protects our EEC surpluses. Farmers tell us that it is impossible to obtain an economic return from crops such as rape without them, and so a ban would have the immediate effect of taking many acres out of production.

My motives in making this suggestion are purely altruistic, of course, and have nothing to do with the fact that in this area we suffer an average of two to three loud explosions a minute from dawn to dusk from October to July.

C. S. Bennett.
Well Yard,
The Street,
Lidgate, Newmarket,
Suffolk.

FINANCIAL TIMES

Thursday March 26 1987

The world debt crisis

Banks reject Philippines plan

BY RICHARD GOURLAY IN MANILA

AN INNOVATIVE plan which would have involved international creditor banks swapping Philippines debt for equity appears to have been killed by hostility of the majority of banks involved in the marathon rescheduling talks in New York.

Mr Jaime Ongpin, the Philippines Finance Minister, is in his fourth week of negotiations on the future of $9.3bn of commercial debt.

He has been trying to win an interest rate of ⅞ of a percentage point over the London Inter-Bank Offered Rate (Libor) while the 12-member creditor bank committee, representing 483 creditor banks, has been holding out for not less than 1 percentage point over Libor.

Mr Ongpin produced the idea of Philippine Investment Notes, or PINs, as a compromise. Banks opting to convert part of their interest payments into PINs would receive a higher margin – at least ⅞ of a percentage point over Libor – than those insisting on cash payment of all interest due.

But bankers close to the negotiations say the outright opposition by around three quarters of the committee has forced Mr Ongpin to put his PIN plan on the back burner and the debate has returned to what spread over Libor should be paid in cash.

Mr Ongpin is reported to have raised his offer to ⅞ of a percentage point over Libor, a shade higher than the margin of $^{13}/_{16}$ of a point which creditor banks negotiated with Mexico last year.

This concession by Mr Ongpin, which still has not been accepted as a minority of banks are holding out for a spread of at least 1 percentage point, could land him in political trouble in Manila. A number of fierce critics within his own Government say he has already conceded too much to the banks.

For this reason, Mr Ongpin has been shuttling between the negotiating table, the US Federal Reserve Board and the US Department of State trying to drum up support for his PINs idea and a lower interest spread.

The idea of PINs is still likely to be mentioned in the final compromise formula but in such a way that it would never be taken up as an option by a commercial bank. The option for the convertible notes is, for example, now likely to be without guarantee of a minimum interest payment from the Philippines Government.

These negotiations cover about a third of the Philippines total debt to banks and governments. They cover debt falling due up to 1991

Brazil defies creditors amid IADB gloom

BY ALEXANDER NICOLL IN MIAMI

DESPITE sumptuous cocktail parties in opulent surroundings, it was hard to escape the mood of confrontation and gloom pervading this week's annual meeting of the Inter-American Development Bank (IADB), which is taking place in Miami.

Brazil and its leading bankers gave virtually no ground to each other in several rounds of negotiation. Meanwhile, a battle raged between the US and other countries over control of the IADB itself, the multilateral lending institution for Latin America.

The deadlock between Mr Francisco Gros, Brazil's central bank governor, and the advisory committee of banks led by Citibank, leaves open the possibility that the country's liquidity and trade could be disrupted after $15bn of short-term credit lines expire on March 31.

A telex was sent yesterday to banks with such lines outstanding asking them for an informal 60-day standstill. The advisory committee will act only as a messenger for Brazil and will not endorse the request. Mr William Rhodes, the committee's chairman, said banks would be asked to maintain the lines on a "voluntary basis."

Brazil effectively froze the interbank and trade credit lines by altering roll-over procedures in February, shortly after it suspended interest payments on $68bn of medium and long-term debt to banks.

Mr Dilson Funaro

However, banks which ignore the request for a standstill could still create difficulties for Brazil in arranging finance for each new trade transaction. They could also seek to attach Brazilian assets in lieu of repayment.

The absence of a formal request carrying the advisory committee's backing underlines the wide gulf between the two sides.

Mr Gros has robustly defended Brazil's economic performance and said the country would resume interest payments as soon as possible. But he has repeated Brazil's call for a new approach which would avoid recurrent deadlines such as the March 31 expiry as well as the mid-April due date for $9.5bn of medium and long-term repayments.

Mr Gros says the crisis should not be pushed forward "from 90 days to 90 days."

Banks insist that they are willing to work with Brazil, but say they cannot support any Brazilian request without knowing what economic measures the government will take. The more hard-line banks on the committee demanded in vain that Brazil should make an interest payment as a sign of good faith.

Bankers are conscious of the mounting pressure within Brazil, notably from the business community, on Mr Dilson Funaro, the Finance Minister, who has led the crusade against adopting an economic programme with the seal of the International Monetary Fund.

There is a feeling among some bankers that, if a crisis is to come in Brazil, it should come sooner rather than later. This would increase the chances of Brazil taking firm economic measures before the interest payment halt turns into a long-term moratorium with huge arrears.

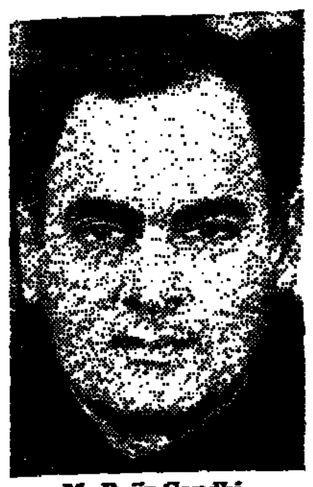
Some bankers still hope that an agreement with Brazil will be worked out this year – although not for some months. They say that Brazil's forecast trade surplus of $8bn this year should leave it with manageable needs for new money, which could enable it to catch up on interest arrears.

Such an agreement would thus follow the pattern of many previous packages over the past 4½ years, involving a monitored economic programme and new loans from governments, multilateral institutions and banks. These bankers believe, however, that a bank loan would have to be arranged more expeditiously and with a more flexible approach than previous loans, of which Mexico's was the latest example.

Other bankers are less optimistic. They see the possibility of a longer term drift in Brazilian economic policy which would extend the interest moratorium indefinitely.

With debt dominating the Miami conference, the inability of the IADB itself to play a significant role in tackling Latin America's problems was brought starkly into focus by arguments over its structure. These have already delayed agreement on expanded funding for a year.

Reforms to be agreed as part of the replenishment of the IADB's resources, now being negotiated, will enable it to devote up to 25 per cent of its lending to back adjustments of whole sectors of economies, lessening the emphasis on specific project loans. This change should enable the bank to play a greater role in the Baker Plan financing programme for troubled debtors.



Mr Rajiv Gandhi

Major poll setback shakes Gandhi

By John Elliott in New Delhi

MR RAJIV Gandhi, the Indian Prime Minister, will be reviewing his personal style of government, as well as the policies and organisational failings of his Congress I Party, over the next few days following a major setback in regional election results announced yesterday.

In spite of weeks of barnstorming across the country, Mr Gandhi failed to keep a coalition led by his Congress I Party in power in the assembly of the southern state of Kerala and also lost ground in the north-eastern state of West Bengal, where a communist-led coalition was overwhelmingly elected for a third term.

But in the internationally sensitive northern state of Jammu, and in Kashmir on the border with Pakistan and China, Mr Gandhi's policy of linking Congress I with a regional party, the National Conference, was successful, and beat off challenges from Moslem and Hindu fundamentalists.

The failures in Kerala and West Bengal, plus a significant by-election defeat in the northern state of Uttar Pradesh, amount to Mr Gandhi's biggest setback since he won a landslide general election victory for his party 27 months ago, following the assassination of his mother, Mrs Indira Gandhi. The defeat in Kerala means that Congress I now does not rule in any of India's southern states.

Mr Gandhi's overwhelming majority in the Indian Parliament is unassailable and there is no personal challenge to his party leadership. But, half way through his five-year term of office, his authority has been affected because the electoral failures coincide with increasing public criticism of his autocratic style of dealing with ministers, civil servants and party activists.

He has had a highly publicised clash with President Zail Singh, the country's constitutional head. Mr Gandhi must now decide how to resolve the row, which was caused by him snubbing the President for most of the past two years. He will also have to find ways of making his own personal style, and his policies of modernising the country's economy, more palatable.

The political row over Mr Gandhi's clash with the President has spilled into a potential scandal concerning the alleged hiring by the Finance Ministry of a US detective agency to investigate corruption among industrialists and, possibly, ministers as well.

This in turn has raised questions about the political future of Mr Vishwanath Pratap Singh, who Mr Gandhi abruptly moved from being Finance Minister to be Defence Minister two months ago. Mr Singh is one of the most respected and popular members of the Cabinet.

Mr Gandhi needed good results in this week's elections to help him handle these problems and to pave the way for regional assembly elections which must be held by July in the Hindu state of Haryana adjoining the troubled state of Punjab. He must also rally support in his demoralised party in the search for a successor to President Singh, whose term of office expires in July.

Mr Gandhi has allowed regionally-based parties to come to power in states such as Punjab, Assam, Mizoram and now Kashmir in order to try to quieten often violent regional tensions. But this has led to criticism within his party, whose activists have had to take back seats. It is these criticisms that made the Kerala election so crucial for Mr Gandhi, who cannot afford to lose his party's traditional stronghold of Haryana when elections are held there.

Coalitions led by the Communist Party of India-Marxist (CPIM) won in both West Bengal and Kerala.

THE LEX COLUMN

Little power, less glory

The uneven contest to salvage steady growth from the UK's heavy engineering industry has left an apparently immoveable grey pall hanging over Babcock and NEI. Even when both companies for once do all, and more, of what is expected of them and when the managements gather widespread praise for their vigour and perseverance, the shares are both cautiously marked down by a halfpenny. And the market, alas, is right.

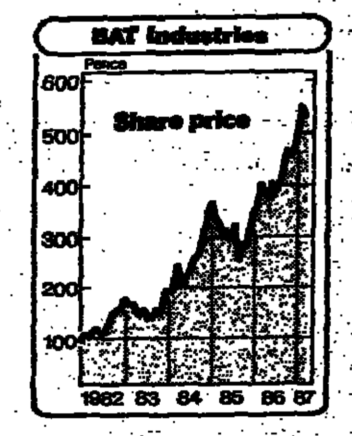
Ever-rationalising NEI has made fine progress with its second major restructuring in three years and, as it is pulling in the proceeds from disposals earlier than expected, the changes are cash-neutral. Even gobbling up 40 per cent of shareholders funds and paying an unchanged dividend out of reserves could be shrugged off if it were not for the continuing order-book uncertainty. While denying any dependence on an imminent power station ordering programme, the company also admits that the home market is a necessary platform for exports. Yet both home demand and exports are weak until 1989, and uncertain even thereafter. If the volume of work falls faster than costs, a third rationalisation will burn up even that puzzling yield stock attraction.

Babcock's diversification was never as ill-fated as NEI's but it still has that water-treading look. With the dollar likely to undermine US growth in the current year Babcock's dream of pushing the rating up far enough to start serious acquisitions seems as elusive as ever: even £50m in pre-tax profits from the existing businesses is at least two years out. And no amount of spurious division-creation will substitute for real growth in earnings.

BAT Industries

There was a time, most of 1986 in fact, when the market seemed to have given up its hallowed view of the BAT share price as a surrogate for the dollar. In the last couple of months, however, atavism has come into play, and BAT shares have underperformed as sterling rose against the dollar.

In other respects too, old instincts about relative valuation seem to be holding sway over more modern views: the rest of the market may indeed be marching out of step – when the historic multiple on industrials is over 18, that seems not unlikely – but at 528p, down 6½p, the shares once again consigned to an earnings discount of over 40 per cent.



Sceptics might focus on the problems of Brazil, where last year's Cruzado plan effectively sliced £38m off group interest income, though translation of Latin American results shows a modest improvement at the operating level. And in the breadth of BAT's operations, this area of difficulty was more than offset by evidence of previously recalcitrant businessess – US retailing for instance – coming right.

Overall, BAT's is a tale of improving quality. Cash flow remains formidable; in 1986, including the proceeds of disposals, gross gearing fell by 10 points, to an historically modest 41 per cent. Tobacco still rates a discount multiple, it must be admitted, but it is down to half of total earnings, and probably less in 1987.

BICC

The old, old story of BICC's imminent recovery has been told a little too often for it to sound fresh. After years of dull performance from the shares, the City's scepticism is well ingrained. But in the last few weeks the shares have been running, and they gained another 9p yesterday to 353p on news of profits up from £92m to £101m last year. The tone of the company's pronouncements was sufficiently positive to persuade all but the most hardened analysts that dawn is at last about to break.

It is easy enough for new managements to spout fine words about group strategies. BICC is at least giving the appearance of parsnip-buttering too. The cables business has had yet another shake-up, this time the "most far-reaching ever," costing £8m above-the-line plus £23m below. That ought to push trading margins up from last year's 5 per cent, but profits from cost reductions have been short-lived before now. At least demand is looking encouraging enough to push a bit more volume through. Improved cash management – look at the £85m out in net debt – seems impressive too. But after an £83m increase in creditors and provisions, mainly acquired, a £28m cut in capital spending, profits from asset sales, and an £11.6m pension fund holiday the rate of internal cash generation is perhaps not so rapid as it looks.

Forecasts of £120m pre-tax this year suggest a multiple after a still-high tax charge of 13. That leaves some room for the converted to chase the shares up, and even the sceptics could take advantage of that.

Tricentrol

Tricentrol seems confident that no one will want to take it over: it has a deficit on distributable reserves and needs to raise about £350m to fund its share of imminent North Sea and onshore projects. The normal reaction might be to sell off some of those assets in order to ensure a less traumatic form of development. Tricentrol intends, rather, to woo its bankers with the promise of equity kickers in the repayment schedules. This has exactly the same effect of diluting the shareholders' interest in the assets, but is much more dignified.

A similar spirit lies behind the plans to go the courts for the capital recontruction needed to permit the payment of dividends. Tricentrol's bankers would feel much more comfortable knowing that the company is prevented by law from making distributions to shareholders, and Tricentrol itself must recognise that there is little realistic chance of another dividend this decade. But the company would like at least to have the hope-value of a dividend in the share price.

Debts and assets, rather than profit and loss, are what matters now. But, for what it is worth, Tricentrol has managed to reduce its losses by about £2m by the new accounting policy of writing off costs against the longer time scale of developing probable, rather than just proven reserves.

On normal methods of net asset valuation, Tricentrol shares, at 89p, are actually not expensive. But any shareholders who do not share the chairman's predeliction for extremes of risk and reward should get out.

Airbus rebuffs US group's call for link

BY DAVID MARSH IN BONN

McDONNELL DOUGLAS, the US aerospace group, is relaunching the idea of widespread co-operation with Airbus Industrie in a move which seems likely to add to uncertainty about the launch of the European consortium's new A330 and A340 airliners.

The McDonnell Douglas overtures, made during the last few months to the governments and industrial shareholders in France, West Germany and Britain backing the Airbus project, were promptly rebuffed last night by Airbus Industrie.

Airbus said at its Toulouse headquarters that the US offer was a ploy to try to stop the A330/340: "Each time we come very close to launching a programme, attempts are made to muddy the waters."

But the British and West German governments, which in recent weeks have shown hesitancy about putting up their share of the funding for the $4bn A330/340 projects, yesterday made clear they were looking at the idea of collaboration as one way of lowering risks on the new Airbus venture.

The possibility of pooling forces between the world's second and third largest airliner makers to confront the dominant Boeing was discussed in talks last year between Airbus and McDonnell Douglas. These talks were broken off in September after neither side would agree to give up its plan to launch competing long-haul jets.

However, Mr Jim Worsham, chief executive of Douglas Aircraft, the civil aviation of McDonnell Douglas, said that the offer was "still on the table".

Mr Worsham was speaking during a sales trip to Europe to promote Douglas's new MD-11 aircraft, which is directly challenging the long-haul A-340. Mr Geoffrey Pattie, UK Minister at the Department of Trade and Industry responsible for aerospace, saw Mr Worsham in early February. The department said last night that "the UK Government thinks that Airbus Industrie should seek some co-operation with McDonnell Douglas", including that on the A340.

However, the department denied that Mr Pattie was actively working towards co-operation, at this was a matter to be handled by Airbus Industrie.

The German Economic Ministry also said "the door is not closed" to co-operation with the US company. Officials from the ministry had recently been to the US for talks with McDonnell Douglas, he said.

French officials, who are also aware of the new approach, are firm in resisting any question of breaking up the A330/340 tandem, but do not rule out some form of eventual co-operation with the US company.

The four-nation Airbus Industrie, which also includes Spain, is planning to launch the A340 and A330 as formal projects in mid-April.

UK building societies plan to issue CDs

BY STEPHEN FIDLER IN LONDON

TWO British building societies, which make loans to home-buyers, announced their intention yesterday to move into foreign currency wholesale money markets for the first time, launching programmes to issue certificates of deposit totalling up to $1.25bn (£780m).

Abbey National, the UK's second-ranked society of assets, was the first to move, announcing a programme under which it could issue up to $1bn in CDs.

If it were fully utilised, which is unlikely for some time, the programme would be the largest single borrowing by any society.

The 11th-ranked Bristol and West later announced a $250m scheme, with an option to issue in other currencies.

The programmes use powers to issue non-sterling financial instruments which took effect at the beginning of the year.

Certificates of deposit can be issued in maturities of between seven days and one year, but the societies expect an average maturity of about six weeks.

The moves are part of a major effort by the societies to widen their sources of funds and to reduce their dependence on traditional retail accounts.

"It's a way of broadening our investor base, not just in terms of geographical distribution, but also with a new type of investor," said Roger Little, money markets manager at Abbey National. Abbey National has assets of £23.5bn ($37.8bn), exceeded only by the Halifax building society, but its retail deposits still account for about £19.5bn.

The societies, the main source of house finance in the UK but little known outside Britain, hope the programme will increase foreign awareness of their names, and their credit rating.

After a period in which they may pay a small premium to establish their names in the market, the societies believe they should be able to borrow at rates close to prime-name banks.

The foreign-currency funds must be swapped immediately into sterling so that the society incurs no foreign exchange risk, under rules laid down by the Building Society Commission, the industry's regulatory body.

Some societies have already tapped the Eurodollar bond market with Abbey National itself launching one of the early issues, for $200m, in January.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	15	59	Dubrovnik	S	14	57	Malta	S	17	63	Rhodes	S	15	59
Algiers	S	25	77	Edinburgh	C	8	46	Manchester	C	6	43	Rio de J'o	S	32	90
Amsterdam	R	12	54	Faro	F	17	63	Manila	S	36	97	Rome	S	17	63
Athens	F	18	65	Florence	F	18	64	Melbourne	S	20	68	Salzburg	F	18	64
Bahrain	S	24	75	Frankfurt	C	10	50	Mexico City	S	28	82	San Francisco	S	9	48
Bangkok	S	35	95	Funchal	C	18	64	Miami	C	23	73	Seoul	S	1	34
Barcelona	S	17	63	Geneva	C	11	52	Milan	D	10	50	Singapore	S	32	90
Beirut	R	20	68	Gibraltar	C	15	59	Montreal	S	4	39	Stockholm	C	2	36
Belfast	F	8	46	Glasgow	C	7	45	Moscow	S	−2	28	Strasbourg	C	13	55
Belgrade	F	16	61	Guernsey	C	9	48	Munich	F	15	59	Sydney	S	23	73
Berlin	C	12	54	Helsinki	C	1	34	Nairobi	F	17	63	Taipei	R	14	57
Biarritz	F	16	61	H. Kong	R	17	63	Naples	S	15	59	Tangier	—	—	—
Bombay	S	30	86	Innsbruck	S	16	61	Nassau	—	—	—	Tel Aviv	F	11	52
Bordeaux	F	15	59	Inverness	R	3	37	New Delhi	S	30	86	Tenerife	C	22	72
Brussels	F	14	57	Islamabad	R	18	64	New York	S	8	46	Tokyo	S	19	66
Budapest	C	13	55	Istanbul	C	3	37	Nice	C	13	55	Toronto	C	4	39
B. Aires	C	24	75	Jakarta	R	30	86	Nicosia	C	21	70	Tunis	S	21	70
Cairo	F	20	68	Jersey	S	10	50	Oporto	F	15	59	Valencia	F	20	68
Cape Town	S	29	84	Jo'burg	R	23	73	Oslo	C	−1	30	Venice	—	—	—
Caracas	C	34	92	Lima	S	27	80	Paris	R	11	52	Vienna	F	13	55
Casablanca	—	—	—	Lisbon	R	15	59	Peking	S	7	45	Warsaw	C	3	37
Chicago	C	6	43	London	C	10	50	Prague	F	11	52	Washington	S	7	45
Cologne	F	14	57	Los Angeles	S	21	69	Reykjavik	F	4	39	Zurich	C	10	50
Copenhagen	C	2	36	Luxembourg	R	11	52								
Corfu	S	15	59	Madrid	F	12	54								
Dallas	S	4	39	Majorca	F	17	63								
Dublin	F	7	45	Malaga	R	16	61								

Readings at mid-day yesterday:
C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

China agrees 50-year transition for Macau

BY DIANA SMITH IN LISBON

PROFESSOR Anibal Cavaco Silva, Portugal's Prime Minister revealed last night that Portugal had negotiated a 50-transition agreement with Peking for the handover of Macao upholding the present financial and banking systems, and the convertibility of the local currency. It is the first official word on details of the accord.

The Portugese leader said that all basic freedoms – of the press, of expression, of the right of assembly, and the right to privacy of domicile – would be upheld during the 50-year transition from 1999. Furthermore, China had agreed to an independent judiciary for Macao, and to an autonomous assembly elected by popular vote restricted to residents of Macao.

The touchy question of nationality for Macao residents entitled to Portuguese passports was resolved with a compromise. The Portuguese had pressed for dual nationality, while Peking wanted them to have Chinese nationality. Prof Cavaco Silva said they would be allowed to enter and leave Macao freely on these passports and to have the protection of Portuguese consulates.

Macao will be allowed independent negotiations on trade, transport, technological or professional agreements with other nations or groups of nations such as the EEC.

Prof Cavaco Silva went to some length to reassure the Portuguese public that in his Government's view, the historical, political, financial and cultural interests of Portugal had been protected by the agreement.

هكذا من الأصل

Dart increases offer for Supermarkets General

BY WILLIAM HALL IN NEW YORK

THE DART GROUP, which is controlled by the wealthy Haft family, has sweetened its offer to $1.8bn for Supermarkets General, the east coast retailer whose Pathmark stores are concentrated in the New York, Philadelphia and Boston areas.

Dart has increased its offer from $41.75 a share to $45 a share, consisting of $42 a share in cash and $3 a share in exchangeable preferred stock. In addition, it says that it is willing to provide all of Supermarkets General's stockholders with a continuing common stock interest in the acquiring corporation. In early trading yesterday, Supermarkets General's shares rose by $1¼ to $45.

Dart said that its latest offer was subject to the execution of a definitive acquisition agreement and the recommendation by Supermarkets General's board of directors. Dart promised to honour Supermarkets General's contractual obligations, including its management contracts.

It also reaffirmed that Kidder, Peabody, Dart's financial advisor, is prepared to advance up to $750m on a subordinated basis. Dart says that Kidder, Peabody is "highly confident" that it can place up to $950m of senior debt in connection with the acquisition.

Supermarkets General yesterday accused Dart of "mis-statements and inaccuracies" and said that its "propaganda and misstatements will not panic our board – or us – into shirking our responsibility to our stockholders, employees, customers and suppliers."

"Trust and integrity are hallmarks of our business. Our people know they can trust management, and our customers know they can trust us. Your conduct indicates to us that no transaction involving trust and confidence can be entered into with you," said Supermarkets General in a letter to the Haft family.

The increased offer comes two days after Supermarket General released its annual results which showed that, after growing rapidly for several years, the group's earnings growth rate slowed noticeably last year.

Its earnings from continuing operations rose from $61.8m to $62.7m, but its earnings per share from continuing operations slipped from $1.73 to $1.65 because of an increased number of shares. The group's sales in the 52 weeks to end-January 1987 rose by 11 per cent to $5.5bn.

Mr Leonard Liebermann, the chief executive of Supermarkets General, said that it was the company's 12th year of record sales and earnings and he was pleased with the performance "considering the adverse effect of the tax change on earnings and the costs associated with our more aggressive expansion programme."

Strong rise at Pernod-Ricard expected on growth in sales

BY DAVID HOUSEGO IN PARIS

PERNOD-RICARD, the big French drinks group famous for its aniseed-based spirits, expects to report a strong rise in profits when it unveils its 1986 results next month.

The company says that, if all goes well, net profits for last year should show an increase of more than a fifth to FFr 550m ($90.8m). For 1985 earnings improved by 11 per cent to FFr 452m.

The strong earnings rise stems from a year of rapid sales growth, especially from Pernod's fast-expanding range of non-alcoholic drinks.

The company said it had made a good start to the current year, partly because of the imposition last month of an increase in alcohol tax. This led to inflated demand during January.

Operating profits for last year were up by about 20 per cent to around FFr 1.1bn, reflecting a strong surge in activity at the end of the year. Only one division increased losses – the recently acquired Société des Vins de France – which showed a FFr 4.15m deficit.

For 1986, non-alcoholic drinks represented 36 per cent of group activities while foreign sales generated 23 per cent of turnover.

Last month Pernod said it was negotiating to acquire Cooymans, the family owned Dutch drinks group which controls around half the Netherlands' liquor market.

Cooymans, which markets under the De Korenaer and Cooymans labels, has a turnover of around FFr 450m a year.

Mr Patrick Ricard, head of Ricard

Banque Worms extends rally

By Our Paris Staff

BANQUE WORMS, the French investment and commercial banking group, yesterday reported a second straight year of profits recovery after losses in 1984.

Mr Jean-Michel Block-Lainé, the bank's chairman, said that, if the profits growth continued this year as expected, the bank would seek to strengthen its capital base next year through a cash injection.

Banque Worms, which is owned by the state-owned insurance group Union des Assurances de Paris (UAP), more than doubled net profits last year to FFr 51m ($8.4m) as against FFr 20m in 1985. The increase came after a sharp rise in provisions from FFr 276m in 1985, to FFr 352m – taking the bank three quarters of the way to fulfilling the new Bank of France guidelines on provisions over developing-country lending.

Operating profits before taxes and provisions rose by 32.7 per cent to FFr 430m. This includes exceptional capital gains on shareholdings of FFr 40m and foreign exchange profits of FFr 35m.

Christiania Bank surplus rises

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

CHRISTIANIA BANK, the second-largest Norwegian bank, increased its operating profits (before provisions for losses) by 24.4 per cent to NKr 1.25bn ($182m) last year compared with NKr 1bn a year earlier.

The group's total assets have grown very quickly during the recent years of high growth in the overheated Norwegian economy and have tripled in the last four years from NKr 33bn in 1982 to NKr 104bn at the end of 1986.

In 1986 alone the group's total assets increased by 40 per cent from NKr 74.3bn at the end of 1985.

Christiania Bank has gained market share in Norway, and the parent bank claimed yesterday that it had now passed its main rival Den norske Creditbank, which publishes its 1986 results today.

Lending by Christiania Bank jumped by 43.4 per cent in 1986 to NKr 54bn from NKr 37.7bn a year earlier, with strong demand coming in particular from the business sector, which accounted for 72 per cent of the lending growth.

The bank said that loan losses had increased in the last two years reflecting the problems now being faced by parts of the business sector but that the losses were not "at an unreasonable level."

The bank allocated some NKr 535m to loan loss provisions before deducting NKr 296m for actual losses. Losses last year were equivalent to 0.55 per cent of the bank's total loans outstanding compared with 0.50 per cent a year earlier.

The bank said that it had given priority to efforts aimed at reducing costs. Operating expenses rose by 15.8 per cent compared with the 39 per cent increase in total assets.

The pressure on the interest margin increased last year with net interest income at 2.95 per cent as a percentage of average total assets compared with 3.26 per cent in 1985 and 3.52 per cent in 1984.

Latin American steel group in the black

By Our Correspondent in Caracas

THE VENEZUELAN Government announced that its wholly owned steel producer, SIDOR (Siderurgica del Orinoco) last year earned a net profit of $68.9m (bolivars 1,000m) following seven consecutive years of financial losses.

SIDOR's 1986 earnings were based on sales of $692m, up sharply from sales of BS 7,302m in 1985. The administration of President Jaime Lusinchi said that the company's positive performance last year was due to a recovery in domestic steel demand, foreign exchange earnings, lower interest rates abroad and increased productivity. SIDOR's raw steel production in 1986 reached over 3m metric tonnes, up 12 per cent from the previous year, out of installed capacity of 4.8m mt per year. Sales volume last year was reported at 2.37m mt, an increase of 15 per cent over 1985.

W. German bank to acquire Linotype

By Haig Simonian in Frankfurt

LINOTYPE, the West German printing technology group, is being bought by Commerzbank from Allied Signal of the US, prior to being floated on the West German stock exchange later this year.

No details of the prices or other terms have emerged, but further information may be revealed at Commerzbank's annual press conference next week.

Linotype is the world's second-largest producer of high-technology type-setting and associated communications equipment.

The group, which employs 2,100 people worldwide, increased its turnover by 15 per cent to DM 500m ($274m) last year and is believed to have had operating profits of about DM 35m.

Despite its name, Linotype is a West German company, dating back to the intervention of the Linotype setting machine 101 years ago.

Some 23 per cent of its turnover now comes from West Germany while the company has subsidiary operations in the UK, US and Canada. These would be consolidated prior to the flotation, according to Commerzbank.

Linotype's record as a successful high-technology firm with a history of strong growth bodes well for the flotation, according to Commerzbank. However, the bank is leaving itself the maximum leeway in the timing for the transaction, which resembles that done by Deutsche Bank for the Flick industrial group last year.

Commerzbank would give no indication of pricing for Linotype shares, beyond saying that they would be likely to trade at a substantial premium to the market given the group's strength and the relative lack of high-technology issues in Germany.

Anheuser president resigns

By Our New York Staff

MR DENNIS LONG, a leading figure in the US brewing industry, yesterday abruptly resigned as president of Anheuser-Busch, the main operating subsidiary of the world's biggest brewer.

The surprise resignation of the 51-year-old Mr Long, who has played a key role in increasing Anheuser-Busch's dominance of the US beer industry, comes a week after the disclosure that several senior sales executives had quit the company following an internal investigation into "allegations of improper conduct by certain employees and suppliers."

Anheuser-Busch refused to elaborate on the reasons for Mr Long's departure.

Mr Long was one of three top executives, including Mr August Busch II, the great grandson of the founder, who are in day-to-day control of what is widely regarded as one of the best managed and most successful brewing companies in the world.

Mr August Busch II, the chairman and president of Anheuser-Busch Companies, and chairman and chief executive of Anheuser-Busch, will assume the position of president of the brewing subsidiary which controls close to 40 per cent of the US beer market.

Mr Long had been president of the beer subsidiary since 1979.

In a brief statement yesterday he said that as president of Anheuser-Busch, "I assume full responsibility for the actions of its officers and employees and have chosen to resign in the best interest of the company."

Mr August Busch noted that "Dennis Long has been my closest business associate and friend for the past 25 years and has been employed by Anheuser-Busch for 35 years.

"His advice and counsel have been invaluable. Denny is one of the finest business executives I know. Fortunately, he has agreed to continue his services to Anheuser-Busch through a consulting arrangement."

More international company news on Pages 26, 28 and 29

FRENCH GROUP MOVES INTO VEGETABLE AND BLOOMS SECTOR

Sanofi tries its luck with flowers

Paul Betts in Paris looks at the background to the purchase by a French pharmaceuticals group of a 35 per cent stake in Barberet & Blanc, an Antibes-based flower group with annual sales of FFr 114m.

THE LAST THING you would ever offer a lady in France is a carnation. The sweet-smelling bloom, variously referred to as the "flower of gods" and the "flower of Lenin", has traditionally suffered from a bad reputation in France.

"I think it is all the fault of opera singers," remarked Mr Henri Blanc, a world expert in carnations, whose family firm Barberet & Blanc is the international leader in this field.

"It seems that opera-fans would throw carnations rather than roses when a famous soprano started to lose her voice. Ever since then, the carnation has been regarded as bringing bad luck in France."

Bad luck or not, the French Sanofi pharmaceutical and cosmetics group controlled by the French Elf-Aquitaine oil concern has just bought a 35 per cent stake in the Antibes-based carnations and gerberas (another popular cut flower variety) specialist. The large pharmaceutical concern is also expected eventually to increase its stake in Barberet & Blanc.

The move reflects Sanofi's efforts to build up its presence in the biotechnology business, especially in areas such as additives and flavours as well as seeds and food products. Sanofi is already involved in the large crop seed sector, particularly sunflower and maize seeds, through its subsidiaries Rustica in Europe and Dahlgren in North America.

The purchase of a Barberet & Blanc stake marks the French pharmaceutical group's decision to enter the vegetables and flowers sector, which has been at the centre of a number of important biotechnology advances in recent years.

The partnership between the FFr 20bn ($3.3bn)-a-year Sanofi and the Riviera-based family concern, with more modest sales of FFr 114m last year, will enable the two groups to develop their respective plant and genetic technologies.

"The agreement reflects our feeling that it was time for an industrial group like ours to co-operate with a small but high-technology concern to boost their future development," said Mr René Sautier, Sanofi's chairman.

During the last few years, Barberet & Blanc has developed major expertise in test-tube growing techniques, as well as conducting successful experiments to create new carnation varieties resistant to a fungus which has severely damaged plantations.

Sanofi is the latest of a number of large groups to invest in horticulture as part of efforts to take the lead in biotechnologies. The Moët-Hennessy champagne and cognac group has invested considerable sums in this sector, including the production of "test tube" roses but also in the application of these new technologies for vines and fruit trees.

Apart from enhancing the family concern's research and development prospects, the association with Sanofi will help Barbaret & Blanc reinforce itself in the international market for carnations which is worth as much as FFr 10bn in annual sales.

Petroleos de Venezuela reports $1.19bn profit

BY JOE MANN IN CARACAS

VENEZUELA'S Minister of Energy and Mines, Mr Arturo Hernandez Grisanti, revealed yesterday that net profits in 1986 for Venezuela's national oil company, PDVSA, were $1.19bn (bolivars 8.9bn) on foreign and domestic sales of $9.76bn.

PDVSA's profits for 1985 were $1.84bn on total income of $14.8bn. The oil industry's revenues in 1985 were considerably higher than last year, and a different exchange rate was applied to petroleum activities last year.

PDVSA, whose full name is Petroleos de Venezuela, is Venezuela's largest company and provides the nation with most of its foreign exchange earnings.

In fact, Venezuela's state-owned oil industry performed quite well last year in spite of a drop of around $5bn in export revenues caused by sharply lower world oil prices.

Part of PDVSA's good results were due to the company's ability to place its oil with refining and distribution centres in the US and Europe where it is a partner. PDVSA currently has major holdings in oil companies in West Germany (Veba Oel), Sweden (Nynas Petroleum), and the US (Citgo Petroleum and Champlin Refining).

The Venezuelan minister also said that prices for Venezuela's petroleum exports so far this year averaged just over $16 per barrel and that the state oil company would make investments this year of $2.53bn in oil, petrochemical and coal projects.

The Government is in the "final stage" of formalising its choice of a foreign partner in a coal project which is expected to produce 6.5m metric tonnes of coal a year from mines in the western state of Zulia, the minister said.

There were rumours that the partner in the project, known as Carbozulia, will be Arco (Atlantic Richfield) of the US and a subsidiary of Italy's ENI. Up to now, British Petroleum (BP) was considered a front-runner in the competition. However, government officials would not comment officially on the selection of the foreign partner.

Ecofuel, a subsidiary of ENI, recently signed a contract with the Venezuelan government petrochemical company, Pequiven, to set up a joint venture that will build a 500,000 metric tonne per year MTBE (methyl bterciary butyl ether) plant in eastern Venezuela.

Investment in the project is expected to be $144.8m. MTBE is an additive used to boost octane in motor gasoline.

Mr Hernandez also stated that Venezuela's exports of crude oil and refined products in 1986 averaged over 1.53m barrels a day at an average price of $13.90 a barrel. This is much lower than the 1985 average price of $26.55 a barrel but was higher than the Government expected after last year's oil price plunge.

Crude production for 1986 was reported at 1,645,000 b/d, not including output of 142,000 b/d of field condensates and 97,000 b/d of natural gas liquids.

Venezuela's estimates of proven crude oil reserves were raised from 29.3bn barrels at the end of 1985 to 55.5bn barrels at year-end 1986. This dramatic increase was due to the incorporation of new oil discoveries and to the addition of known heavy oil reserves that had not been included previously because of the Government's use of a conservative method of calculating reserves.

INTL. COMPANIES AND FINANCE

Investors offer $190m for Resorts

By Our Financial Staff

THE BATTLE for Resorts International took another turn yesterday when an investor group launched a cash and share offer for the Atlantic City casino business of more than $190m.

The company received a proposal from KSZ under which holders of B stock would receive $140 a share in cash and one common share in a new company. The B shares were halted on the American Stock Exchange on Tuesday at $130½.

Holders of A shares would recieve $15 a share in cash and three of the new shares.

The KSZ offer, Resorts said, indicates that KSZ has a commitment from M. Davies to buy all the special preferred stock. Resorts has asked Bear, Stearns to advise its board on the offer.

Earlier this month, the estate of Resorts' founder, Mr James Crosby, and certain members of his family agreed to sell their B shares with 73 per cent control to Mr Donald Trump, the New York real estate developer, for $101m or $135 a share.

Berliner Bank hit by losses on bad loans

BY LESLIE COLITT IN BERLIN

THE CITY-OWNED Berliner Bank, which is in the midst of privatisation, has suffered bad loans of some DM 25m to DM 30m ($14m-$16m). A bank spokesman said the head of its Stuttgart branch and the loan department manager had overstepped the branch's loan limit.

The Stuttgart branch is one of the smallest among the six which the bank has in major West German cities. Loans in the affected branch are largely made to small and medium-sized firms in the Baden-Württemberg area.

The Stuttgart loan manager was relieved of his post without notice while the branch head was suspended. A spokesman could not say whether the losses would influence the bank's earnings which are to be disclosed next month.

A larger dividend than the 12 per cent paid in recent years is being considered. Last year Berliner Bank raised profits by 15 per cent to DM 30m.

The bank was hit by a bad loan of more than DM 100m in the 1970s to a builder who over-extended himself in the Middle East and went bankrupt. The loan was guaranteed by the city, which absorbed most of the loss.

Italian telecom group launched in joint venture

BY ALAN FRIEDMAN IN ROME

A TELECOMMUNICATIONS company operating in the electronic mail sector was launched in Rome yesterday by SIP, the state telephone utility, Italcable, the long-distance phone business, and STET, the state holding company which is part of the IRI group.

The venture, to be called Teleo, will have an initial capital of L18bn ($13.8m) and hopes to reach annual turnover of between L85bn and L90bn within five years.

Mr Giuliano Graziosi, STET's managing director, said Teleo was part of his group's strategy of developing high value-added services.

The company will be 50 per cent controlled by SIP, 40 per cent by Italcable and 10 per cent by STET. Teleo is to become operative immediately

Sharp fall in sales by BP France

By Paul Betts in Paris

BP FRANCE, the French subsidiary of British Petroleum, reported yesterday a loss from current operations of FFr 706m ($116m) last year compared with a loss of FFr 826m the year before.

Sales of the company, which has just changed its name from Société Française des Pétroles BP, declined sharply to FFr 12.7bn last year from FFr 24.3bn the previous year.

After drawing from a special provision for changes in stock values, the French subsidiary of BP reported a break-even in its net earnings for 1986. It had also done this the year before when its net earnings were also zero after drawing from the special provision.

Company officials said yesterday that after the latest draw down, there was FFr 922m left in outstanding provisions which could still be drawn.

The company said that its overall operating performance had continued to improve last year. The company would have reported a profit of FFr 1.14bn if the loss on the depreciation of the value of its stocks had not been taken into account.

AIBD BONDS INDICES
Weekly Eurobond Guide March 20, 1987

	Redemption Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	8.551	0.012	9.619	8.440
Australian Dollar	14.615	−0.821	14.735	12.830
Canadian Dollar	9.509	−1.553	11.154	9.508
Euroguilder	6.222	1.270	6.314	5.804
Euro Currency Unit	8.468	−1.535	9.124	8.164
Yen	5.705	−1.570	6.702	5.218
Sterling	9.741	−2.366	11.609	9.740
Deutschemark	6.069	−0.606	6.652	6.069

Bank J. Vontobel & Co Ltd, Zurich - Telex: 812744 JVZ CH

هكذا من الأصل

Managers steer clear of straights

BY CLARE PEARSON

A TRICKLE of non-dollar and *equity-related* Eurobonds emerged yesterday as new issue managers *continued* to steer clear of the straight, fixed rate Eurodollar market. That sector failed to be lifted out of its apathy by reports of central bank intervention to support the dollar.

In the Euroyen sector also business was less brisk than usual, as *dealers focused on* price falls of Japanese domestic bonds prompted by profit taking ahead of the fiscal year end next week. Nevertheless, expectations of a rally in April kept the underlying tone firm.

Dealers *generally accorded* a cautious welcome to a Y60bn deal for Norway, led by Nomura International. The terms were thought tight, but the quality of the borrower's name and the size of the offering looked attractive.

The five-year issue, Norway's second in this market, pays interest at 4½ per cent and is priced at 101⅝. It was bid at a discount equivalent to, or slightly greater than, the full 1⅞ per cent fees.

Meanwhile, two deals surfaced in the Eurosterling market, although this sector was also in a subdued mood ahead *of the* release of today's UK trade figures — expected to be *a crucial* indicator of the short-term path of sterling interest rates.

Woolwich and Equitable became the third UK building society to tap the fixed rate Eurosterling market in recent days, creating concern that demand for this type of paper —which still comes chiefly from the UK institutions — would be swamped. Tuesday's *five-year issue for* the Leeds Permanent eased with the market to end the day bid at around less 2.

Dealers were reassured to *find that* the terms of the Woolwich's £50m five-year offering *looked fair, however, it carried* a 9½ per cent coupon and 101⅞ issue price, to *give* an initial yield net of fees of 59 basis points over that of a comparable gilt. Chase Investment Bank led the deal, which was quoted at 99½ bid.

Union Bank of Switzerland (Securities), in contrast, seemed to be pinning its hopes on a *further* rally in the Eurosterling market with its £50m five-year issue for Chrysler Financial Corporation, whose terms seemed tight.

The 9½ per cent issue, priced at 101⅛, was quoted by the lead *manager at 99½ bid*, which compared with 1⅞ per cent fees.

Chrysler's triple-B credit rating is under review with Standard & Poor's, although Moody's Investors Service has confirmed its BAA 1 rating.

Salomon Brothers International led a $100m 15-year *convertible issue for* Enserch Corporation, the US diversified energy, engineering *and* construction company. The 6¾ per cent bond, priced at par, may be exchanged for shares at a conversion price of $27⅞, 21.67 per cent above the closing level in New York on Tuesday. Yesterday, the issue traded at 99¾ bid.

Daiwa Europe led a $70m five-year equity warrants deal for Chiyoda Fire and Marine Insurance, to an enthusiastic response from the market; it traded as high as 110¼ bid.

The lead-manager said it was the first such issue for a Japanese company in the insurance sector, where share prices are thought to have room to move

INTERNATIONAL BONDS

up. Chiyoda's shares stand on a price/earnings ratio of about 40.

The deal has an indicated 2½ per cent coupon and par issue price.

Yamaichi International (Europe) meanwhile led a $150m five-year equity warrants bond for Keihin Electric Express Railway. It also has an indicated 2½ per cent coupon and par price.

A NZ $75m *two-year 19 per* cent issue for Swedish Export *Credit* appeared, *led by Credit* Suisse First Boston and priced *at 101½*.

Late in the day, Banque Paribas Capital Market announced an Ecu 145m 10-year 7¾ per cent deal *for* Euratom, the European atomic energy community. It was priced at 101⅛.

As reports circulated that central banks were *defending* the dollar, Citicorp Investment Bank announced a novel issue of currency warrants. These give the holder the option to buy dollars against D-Marks or yen and are known as "*currency cocktail warrants.*"

Each warrant, priced at $47.5, gives the right to purchase a nominal $500 at DM 182.5 or Y149.5 during the next two years.

In the D-Mark market, prices were unchanged to slightly firmer in thin volume.

Schweizerische Bankverein (Deutschland) led a DM 200m five-year 2 per cent *equity* warrants bond for Inspectorate International, the Swiss-based surveillance and technical services company.

Each par-priced bond carries four "A" warrants to buy four bearer participation certificates of Inspectorate at SFr 543 for three months beginning in May. Upon exercising the "A" warrants, the investor also receives two "B" warrants to buy eight BPCs at SFr 597 each, exercisable for 3½ years. In order to buy the "B" warrants, investors can sell their bonds to the borrower at their *full* par value.

The shares closed yesterday *at SFr 544. The bond traded* at 105 bid, and was bought mainly *by Swiss investors.*

In Switzerland, volume was *fairly high and prices closed* slightly stronger. A recent issue for Hoechst, the West German chemical company, traded in the grey market at a bid price of 100⅝, against a par issue price.

Swedish unions to play the money market

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

A GROUP of leading Swedish trade unions are to become a new player on the fast-growing Swedish money market.

Between 10 and 15 of the *member unions in* LO, the powerful blue-collar workers' trade *union confederaton*, are planning to invest around SKr 700m ($110m) of the unions' funds on the money *market. A formal decision* on the scheme is expected before the summer.

The Swedish unions have shown in recent years that they have few ideological inhibitions in the hunt for a better return on *their* considerable financial assets.

Two years ago LO itself bought a stake of close to 2m shares in *Skandinaviska Enskilda Banken*, one of the main bastions of Swedish capitalism closely associated with the Wallenberg dynasty, for around SKr 100m and has since participated in an unprecedented boom in banking sector share prices.

The unions that are expected to join in the new venture into *the money market* include the engineering, building, factory and *municipal* workers' *organisations*.

The funds will be managed by Sparbankernas Bank (Swedbank), the central bank of the country's savings banks movement, and will be supervised by a board including representatives of both the unions and the bank.

"It's difficult *for* me to see that *there* is something wrong in getting a high return on your capital," said Mr Kjell Andersson, financial manager of Metall, the engineering workers' union. "In a trade union you can't deny yourself a return on your money because of some ideological belief that gaining interest is wrong."

Sweden has one of the most highly unionised workforces in the world *with substantial* assets, and leaders of the Swedish labour movement have shown increasing interest in developing a more professional approach to the country's fast developing financial markets, which have been revolutionised since the beginning of the 1980s.

The bigger unions are now each expected to place *some* SKr *100m-125m* of their funds in the money market.

"To put money on deposit at a bank is oldfashioned," said Mr Andersson. "The return is too low today."

The unions have not been deterred by the scandal revealed recently in Stockholm, *where the city treasurer's office* has apparently suffered losses *of around* SKr 450m *through* failed speculations in the options and futures markets.

"There is no risk as long as you don't start speculating in futures," said Mr Andres Larsson, financial manager of the building workers' union. "We are not going to permit that. This is a good way to manage funds as the market is very liquid."

VW's forex dealer not bound by gentlemen's agreement

By Haig Simonian in Frankfurt

JOACHIM SCHMIDT and Partner, the small Frankfurt *foreign exchange broker* whose senior partner, Mr Joachim Schmidt, *is being* sought by prosecutors investigating the DM 480m ($263m) alleged foreign currency fraud at Volkswagen, did not belong *to* the association grouping West German *foreign exchange brokers*, senior West German bankers say.

The association has a form *of* "gentlemen's agreement" with the country's banks whereby members do not accept business from institutions other than banks.

Mr Schmidt's firm would not have been bound by these rules, explaining how it might have been doing business with VW directly.

The agreement between the *forex* broking firms and the banks is in deference to West German credit law. The regulations, introduced *after the 1974 Herstatt crisis*, states that banks cannot trade *in "risk-related foreign exchange"* beyond 30 per cent *of their capital. By contrast*, West German companies deal*ing in foreign exchange* are not subject to this limit.

It has recently been alleged that some banks used this loophole to park excess positions overnight with VW. Some senior German treasury executives tacitly accept that the practice may have taken place, but they *insist* that no German bank was involved.

Meanwhile, Mr Schmidt remains conspicuously absent from his firm's ultra-modern offices on the top floor of a *new office* building in Feuerbachstrasse, in the heart of *Frankfurt's banking district.*

It is not the easiest place to get into. Visitors emerging from the lift are confronted with a wall of thick horizontal layers of beige and black plastic.

There is no bell, nor any obvious way of communicating with those inside. With luck, a lock clicks, *opening* a small door discreetly cut into the wall.

The chrome and black interior puts even the latest *London broking houses to* shame. Two shiny, black, *hexagonal trading desks*, bursting with high technology, dominate the floor, Offices are at one side.

No, Mr Schmidt is not here. No, no-one knows when he is coming back.

Visitors are clearly not welcome. But, if a glimpse of the firm's present business is anything to go by, they may be providing the only *distraction* right now.

CP issues for NEC and Saab

By Stephen Fidler

TWO NEW Eurocommercial paper programmes were launched yesterday, one for NEC, the Japanese electronics group, and the other for Saab-Scania, the Swedish automotive and aerospace concern.

The NEC programme, in the name of a Dutch subsidiary but guaranteed by *the* parent company, is for $150m and carries a sterling option. It is aimed at funding European operations.

Arranged by Morgan Guaranty, the programme's other dealers are Chase Manhatton, Shearson Lehman Brothers, and Swiss Bank Corporation International.

Saab-Scania has appointed Enskilda Securities and Bankers Trust International as dealers for its $100m programme. While the notes will be principally denominated in dollars, there is a provision for issuance in other currencies.

Matsushita Electric offering

MATSUSHITA Electric Industrial, Japan's largest maker of consumer electric and electronic products, is to offer Y200bn in unsecured convertible debentures in the *domestic* market, AP-DJ reports from Tokyo.

The projected issue is believed to be one of the largest in Japan by a private corporation.

Matsushita said the subscription period would begin on April 20 and end on April 30. The closing date of the issue is set for May 2.

The issue, *Matsushita's* third offering of unsecured convertible debentures in the domestic market, is to be underwritten by a syndicate led by Yamaichi Securities, Nomura Securities, Nikko Securities, Daiwa *Securities* and National Securities.

Credit National

YESTERDAY'S International Bonds report wrongly referred in the headline and text to a $100m issue for Credit Lyonnais. The issue was in fact on behalf of Credit National. We regret this mistake.

Desjardins to go public but keep mutual status

Robert Gibbens on how a big Quebec credit union plans to raise fresh capital

DESJARDINS, the big Quebec credit union, *has found* a way for a co-operative organisation to go public.

Based in Quebec City, Desjardins was organised on European co-operative principles in 1901 to provide loans to small farmers and tradesmen turned away by the banks. Its assets now stand at C$30bn (US$22.9bn), and its 1,400 Caisses Populaires, or credit *union branches*, are spread throughout Quebec—sometimes they are the *only* financial institution in town.

Technically each is autonomous, with its own local board, but the 1,400 Caisses are grouped together in 11 "*Regionales.*" These in turn *own other institutions*, including a wholesale bank, and also control general policymaking through La Confederation des Caisses Populaires at the top of the pyramid.

The Caisses Populaires *alone*, with assets of nearly $25bn, equal all other Canadian credit unions in size. Years ago, they became by far the largest retail competitors of the chartered banks in Quebec.

The Caisses were among the first institutions in Canada to grasp the nettle of computer technology, and the third round of modernisation in 20 years will soon link each Caisse Populaire electronically with its Regionale and most of the institutions covering insurance, trust and brokerage services.

The Desjardins movement is, therefore, ready for the age of financial services deregulation, but to keep up with the rest of the industry and maintain its market share, it needs access to further capital. The challenge is *to* use the accumulated reserves of the Caisses to the maximum to borrow through the financial markets. "Our financial leverage should be in proportion to our assets in the Caisses themselves," *says* Mr Claude Beland, who took over as Desjardins' president this year.

Each Caisse, by the rules, has to put about half its annual surplus to reserve while the rest is paid out in rebates *to depositors* and borrowers.

Collectively the Caisses have built up about C$800m in surplus reserves, equivalent to retained earnings, on which further leverage can be based, said Mr Beland.

His proposal is to create a financial holding company controlled by the Regionales. This company would issue equity to the public, and the stock would be quoted on the Montreal and Toronto stock exchanges.

Desjardins already owns the Caisse Centrale, a wholesale bank operating in national and international money markets, a trust company that owns 10 per cent of a broker, an industrial holding company with investments in several big companies, and an industrial credit company.

The companies are *now* controlled by the Regionales and two of them have already raised equity through public subscription.

Under Mr Beland's proposal, the Regionales would exchange their holdings in these institutions for stock in the new financial holding company, and continue to exercise their traditional control of overall policy through La Confederation. The Regionales would remain controlled by individual Caisses Populaires and the co-operative structure of Desjardins group preserved.

The new holding company would differ from Power Financial and Laurential Group, two Montreal diversified financial *services groups which have set* a goal of expanding nationally and internationally.

The Desjardins holding company would use the hidden assets of the Caisses Populaires to improve leverage and expand activities primarily in Quebec, though some of the new capital could lead to larger investments outside the province.

Desjardins recently hired Mr Georges Lafond, former vice-president of finance at Hydro-Quebec, *the provincial* electricity utility, to work on ways to get more access to *outside* capital while preserving the co-operative or mutual ownership structure.

Mr Beland's plan has some parallel with new freedoms granted to Quebec-incorporated mutual life insurance companies in 1983. They were allowed to set up financial holding companies which could then raise equity from the public and expand unfettered in the national financial services field. Several mutuals did this, including Laurentian Mutual Assurance, parent of Laurentian Group, well ahead *of trends in* Ontario.

Desjardins has at times been criticised for parochialism and *a refusal* to *invest sufficiently* in Quebec's economic development. But it is already linked with credit unions in other provinces and its wholesale bank raises funds in national and international money markets and offers corporate lending services outside Quebec.

Allowing outside public ownership of the Caisses Populaires would not only prepare them for deregulation, but would also help them keep their competitive edge.

Turkey approves foreign-owned broker

TURKEY'S FIRST *foreign*-owned brokerage house, Turk*invest* Asian Oceanic Group Menkul Kiymetler, has been given permission to *operate* by the Capital Market Board, Reuter reports from Istanbul.

Turkinvest, with capital of TL 525m ($677,000), is *owned* by Asian Oceanic Group, a *Hong Kong-based financial* services company. The company is *offering* corporate finance services as well as money and capital market dealings, according to Mr Niko Maksimyadis, general manager of Turkinvest.

The Istanbul stock exchange was reopened at the end of 1985 after 60 years by the Government of Mr Turgut Ozal, *who is keen to* develop the capital market.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on March 25

[illegible]

INTL. COMPANIES and FINANCE

Elders Resources taps rich seam

BY STEFAN WAGSTYL

MR GEOFF LORD, managing director of Elders Resources, the Australian natural resources company, is a man in a hurry. He wants to complete three big corporate moves by June.

The first could be announced today when the group reports its interim results for the six months to December.

On past performance, there is every chance that Mr Lord will meet his deadline. Established only in 1985, Elders Resources has grown at a breathless pace to a market capitalisation of nearly A$500m (US$347.3m).

It has done this by shooting off in a number of directions at the same time—marketing metals and minerals, financing, building and managing mines, and contract mining. These activities are combined with an investment operation in which the group runs a rapidly growing portfolio now worth more than A$300m.

It is a combination of service and investment companies, which is possibly unique in today's mining industry. The theory is that the service companies should generate cash and steady profits and at the same time channel information about the market to the deal-makers headed by Mr Lord.

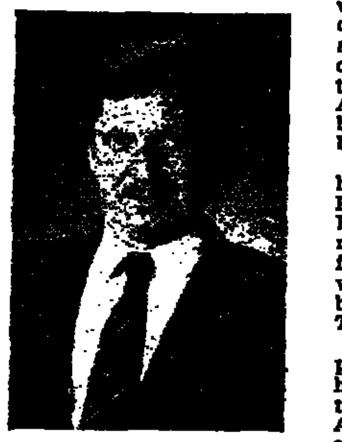
The purpose of the investment side is not just to make quick trading profits—although it does do that. It is also to take advantage of the fact that there are, in Mr Lord's view, too many resources companies in Australia. He believes Elders Resources can be a catalyst in bringing some of them together—particularly in onshore oil and gas.

Elders Resources was established by Elders IXL, the Australian brewing, pastoral and finance group, as a vehicle for its interests in natural resources. Mr John Elliott, the Elders IXL chairman, retained 48 per cent and put in Mr Lord, his strategy director, to run the new company.

Mr Lord, a 42-year-old industrial manager with an MBA, had no experience of mining. "I am a businessman, not a mining man. There's a big difference," he says. As a result, he says, the group deliberately decided against concentrating on mining per se and instead looked to cash-generating services it could provide to the industry. These activities have been grouped in four divisions — marketing, operations, development, and finance.

In marketing, it has established a string of offices around the world, primarily by acquiring seven trading companies from HTC Holdings, the US group. Elders Resources is now represented in New York, Tokyo, London and elsewhere, trading aluminium, steel, ores, chemicals, fertilisers, coal and oil. Mr Lord says: "We have got lots of bits and pieces. Now we have to weld it all together."

ELDERS RESOURCES has found a profitable gap in the market, says Mr Geoff Lord (right) its managing director, by lending on projects which banks reject as too risky. The company applies a difficult test because it considers a scheme safe if it could manage it itself in the event of a default. Mr Lord also wants to complete three big corporate moves by June. The first could be announced today when the group reports its interim results for the six months to December.



Elders Resources does run one wholly-owned gold mine—Red Dome in Queensland, which came into production in mid-1986 and should have an output of 60,000 ounces a year. But its operations division is mainly concerned with managing mines for other companies, including a number for BHP, Australia's largest group.

The commercial links with BHP could grow in view of the cross-shareholdings between Elders IXL and BHP, built up in the battle to control BHP fought between Mr Elliott and Mr Robert Holmes à Court.

Elders IXL is entitled to shares in BHP's imminent flotation of its gold interests as BHP Gold: these shares are to be passed on to Elders Resources.

The development division handles several mining projects in different stages of pre-production development, including Starra, in Queensland, a 25 per cent owned scheme, and Colosseum, a 20 per cent owned project in the US state of Nevada, which are both expected to start producing gold at the end of the year.

In finance, Elders Resources has a joint venture company with Elders IXL to lend money to fund natural resources schemes. The company has loans of some A$400m on its books, mainly to gold companies. The group has found a profitable gap in the market, says Mr Lord, by lending on projects which banks reject as too risky. But Elders Resources applies a different test because it considers a scheme safe if Elders Resources could itself manage it in the event of a default. Banks hate that option, he says.

A good example of how the group's separate activities interrelate is the Kidston gold mine, in Queensland, which was developed by Placer Development, the Canadian gold company. Placer could not find a partner for the large-scale, low-grade mine until it came to Elders IXL in 1984. Elders IXL took a 15 per cent stake in Kidston Gold, which is passed on to Elders Resources.

Last year, Elders Resources sold these shares for A$110m, making an estimated net profit of over A$40m; in addition the group made money on arranging finance and managing the mine under contract.

Elders Resources has taken similar steps at Mount Pleasant, in Western Australia, where it has financed development, taken stakes in two of the participating companies — Square Gold and Southern Resources — and will manage the mine.

The present focus of attention in Mr Lord's investment division is oil and gas. Elders Resources has important stakes in three of Australia's largest on-shore operators—Santos, where the interest is 15 per cent, Bridge Oil (23 per cent) and TMOC Resources (20 per cent). All three are active in the Cooper Basin, Southern Australia, where there are 35 blocks run by different combinations of companies.

Australian stockbrokers are holding their breath for Elders Resources to rationalise control. Earlier this year, the group made a sighting-shot of a bid for TMOC. It might, however, view as less than hostile a much higher bid made this week for TMOC by Santos.

In 1985-86 a A$31.4m net profit on the Kidston shares helped to take Elders Resources to a total for the year of A$44.3m. This year, financial analysts believe it could make more than A$40m, without any exceptional contributions. Today's interim results should show if the group is on target.

Stockbrokers who follow Elders Resources are full of praise for the company, not surprisingly given the way the shares have climbed from 75 Australian cents early last year to about A$2.35. Mr Euan Worthington, of London broker L Messel, writes in a recent report that Elders has taken over where the major mining groups have left off, actively seeking to finance operations when prices are depressed.

Mr Lord says it is a matter of looking for opportunities in natural resources, particularly those "in a mess". "The bigger the mess the more interesting it becomes for us."

Swire Pacific earnings up 46%

BY KEVIN HAMLIN IN HONG KONG

SWIRE PACIFIC, the Hong Kong trading and property group, yesterday announced net profits up nearly 46 per cent last year to HK$1.79bn (US$228.8m) on turnover of TK$13.69bn, an increase of 21.3 per cent.

Swire also recorded an extraordinary profit of HK$1.38bn resulting from the sale to 15.75 per cent of Cathay Pacific Airways, in which it now holds a 50.23 per cent controlling interest, to the public early last year.

Mr Michael Miles, chairman, said all Swire's businesses had made good progress during the year, with the exception of the shipping, offshore services and dockyard division, which registered losses due to depressed market conditions.

Cathay's net profits leapt 58 per cent to HK$1.23bn while earnings at Hong Kong Aircraft Engineering Company were up 25.3 per cent to HK$145m and Swire Properties' results improved "substantially" due to the strengthening of the residential property market.

The industries division also performed well, with Swire Magnetics in the US video market, the Coca-Cola franchises and Continental Can Hong Kong recording particularly good results. In addition, the trading division benefited from strong export business.

Mr Miles said Swire would this year concentrate on developing existing businesses, primarily in Hong Kong. He described the territory "as the best place in the world to do business." Swire's debt stands at around HK$6bn.

Referring to a proposal put forward by a private consortium for a new airport west of Hong Kong, Mr Miles said that if the territory's government decided to go ahead with the project "you can bet your bottom dollar Swire will be there." The authorities are now studying the proposal, but no decision has been made.

Swire is planning a one-for-five scrip issue for April 24. A final dividend of 32.3 cent per A share and 8.8 cents per B share has been recommended. Total dividends for the year are up 32 per cent on 1985.

Brierley stymied on Progressive

By Bruce Jacques in Sydney

MR RON BRIERLEY, Australian entrepreneur, yesterday appeared to be stymied on his NZ$508m (US$286.4m) bid for Progressive Enterprises, a New Zealand supermarket chain.

The New Zealand-based Rainbow Corporation, which already controlled 44 per cent of Progressive, announced it had lifted this stake to 52 per cent, making the group a subsidiary. Rainbow is proposing a merger with Progressive through a complex structure involving a third company.

Brierley Investments (BIL) responded that it would push ahead with its bid.

Mr Brierley has meanwhile continued to bob up elsewhere with minority positions in potentially explosive situations.

Industrial Equity (IEL), his Australian flagship, has confirmed the purchase of a 10 per cent stake in Heath Petroleum, currently the subject of a bid from a small industry colleague, Claremont Petroleum. This adds to a string of other minority stakes bought in recent weeks, including:

- An 11 per cent interest in New Zealand-based NZI Corporation by BIL;
- An 8 per cent stake by IEL in Humes, an Australian building products group, bringing speculation of an imminent bid;
- A 17 per cent stake in Cheetham, a fertiliser group, for which he went on to launch an A$100m (US$69.5m) full cash bid for the company; and
- A 17 per cent stake in Holco, an Adelaide meat group where he has confronted a rival suitor—Mr John Spavings' Adelaide Steamship.

Profits dip at Wormalds

WORMALD, the Australian fire protection and security group, showed a slight dip in net profits for the six months to December to A$13.16m (US$9.14) from A$13.85m, Reuter reports from Sydney.

It is restructuring its loss-making US business hit by a downturn, particularly in the oil industry.

Lower earnings from Brazil reflected the price freeze there, but profits elsewhere were ahead.

The proposed listing of Wormald's American and European operations had been affected by the losses during the period but preparations for listing were going ahead.

Wormald said restructuring in Asia was proceeding with its stake in Wormald International NZ now 49 per cent.

Rise in sales and income for HK television group

BY OUR HONG HONG CORRESPONDENT

HK-TVB, the Hong Kong Television company in which Perth-based entrepreneur Mr Alan Bond holds a 26.7 per cent stake, yesterday announced a 35.6 per cent increase in net profit for last year to HK$314.5m (US$40.3m) on a turnover up 22 per cent to HK$1.13bn.

The growth is understood to be mainly attributable to an increase in overseas programme licensing business, which contributes some 15 per cent of net profit, and to the introduction late last year of special advertising packages for small advertisers.

TVB is effectively controlled by Shaw Brothers, although it holds only 20.4 per cent. A final dividend of 36 cents per share has been recommended, bringing total dividends for the year to 48 cents a share.

- A reorganisation of Malaysia's cinema business has taken place following a decision by Shaw Brothers Malaysia (SBM) to transfer its cinema operations to the Hong Kong-based Golden Communications Company, **Wong Sulong adds from Kuala Lumpur.**

The decision was taken after several years of losses for SBM, and the fact that a major SBM shareholder, United Estates Projects, does not want to get involved in the cinema business.

FINANCIAL SERVICES AND PAPER DIVISIONS BOOST PROFITS

BAT profit rises 19% to £1.4bn

BAT Industries, the tobacco, retailing and financial services group, produced pre-tax profits of £1.39bn in 1986—up 19 per cent on 1985's £1.17bn—helped by a doubling of profits from its financial services businesses and a strong performance by its paper operations.

The results were achieved on turnover 12 per cent higher at £19.17bn (£17.05bn). After lower interest payments, but a higher tax charge, earnings were 17 per cent higher at 53.51p a share (45.72p). The final dividend is 8.8p, making a total for the year of 14.3p, up 18 per cent on the previous year.

The figures were in line with market expectations and the shares closed at 528p, down 6½p.

Second half pre-tax profits totalled £841m, against £552m in the first half and £728m in the second half of 1985.

The group's core tobacco businesses edged profits up by 4 per cent to £764m (£738m) on a 2 per cent increase in worldwide cigarette volume.

But BAT has diversified strongly out of the tobacco market in recent years, and tobacco's share of group trading profits fell from 57 per cent in 1985 to just over 50 per cent last year, with financial services, paper and retailing contributing nearly half.

DIVISIONAL BREAKDOWN

	Turnover (£m) 1986	Turnover (£m) 1985	Trading profits (£m) 1986	Trading profits (£m) 1985
Tobacco	8,339	7,170	764	738
Retailing	4,762	4,671	211	186
Paper	1,755	1,499	217	168
Financial Services	3,179	2,182	282	135
Other trading activities	1,132	1,529	41	66
Total	19,167	17,051	1,515	1,293

Group retailing profits were 13 per cent higher at £211m, with the Argos stores having an excellent year—profit from trading was up 30 per cent to £40m, with good results from toys, sports goods and jewellery, and a "most encouraging start from the five new superstores." In the US, Saks Fifth Avenue passed $1bn of sales and profits of $100m, while Marshall Field's increased profits by 18 per cent.

Financial services had a good year, with profits of £282m against £135m in 1985. BAT pointed out that after just three years in the group, this sector now contributed 19 per cent of profits.

Eagle Star grew by 32 per cent in general premiums to over £1bn and 39 per cent in life, with better underwriting results in the second half of the year. Allied Dunbar increased new business by 38 per cent in the past nine months, after a relatively slow first quarter, making 10 per cent for the year.

Profits from paper and pulp grew by 29 per cent to £217m. Appleton raised volume by 16 per cent in the rapidly expanding US carbonless copying paper market, and increased total profit by 24 per cent, while Wiggins Teape produced a 36 per cent profits increase, with a strong performance in European carbonless.

In tobacco, the US domestic cigarette market remained highly competitive in 1986 and industry volume was down 2 per cent. Brown and Williamson's domestic market share reduced slightly, from 11.9 per cent to 11.7 per cent, while trading profit increased by 18 per cent in dollar terms.

In West Germany, higher prices and stronger exports helped BAT Cigarettenfabriken to better profits, but in Brazil severe price restrictions meant Souza Cruz gained little in profit from its 20 per cent increase in volume.

Group investment income totalled £150m (£166m) against interest payments of £238m (£286m), while tax totalled £524m (£430m).

There was an extraordinary credit of £75m (debit of £34m(comprising an after tax gain of £49m on the sale of its interests in the Grovewood Group and the release of £32m from a provision set up in 1985 for the restructuring of the BATUS retail division. During the year 88 BATUS stores were sold for £644m.

See Lex

Charles Barker profits up to £3.4m

In its first full year figures since going public, Charles Barker, advertising and public relations, increased its pre-tax profits by 31 per cent from £2.62m to £3.43m. Billings, the traditional yardstick for measuring this type of business, increased from £136.6m to £175.7m, a rise of 29 per cent.

As forecast at the time of its Offer for Sale last May, the final dividend is 2p for a total of 3p net. Stated earnings per 5p share rose from 7.2p to 10.3p.

Mr Antony Snow, the chairman, said prospects for the future continued to be very encouraging. Its four skill areas had considerable growth potential. He expected significant organic growth from existing clients.

New clients include Boots, Gillette, RTZ and the Association of Investment Trust Companies.

Mr Snow said that on the international front, Norman Broadbent, the executive search consultancy, purchased a search company in Hong Kong and opened a new office in Tokyo.

VG Instruments moves up 40%

VG Instruments, the Crawley-based manufacturer of scientific instruments, was able to report a substantial increase in pre-tax profits for 1986, despite fears that the restructuring of the company's American operation would have a temporary adverse effect on orders received.

Profits were up by more than 40 per cent from £14.32m to £20.11m on turover up 31 per cent from £66.1m to £86.63m.

The directors proposed a final dividend of 2.4p (1.8p), making a total for the year of 3.6p—44 per cent up on last year's total of 2.5p.

With trading profits of £18.8m (£13.12m) expressed as 21.7 per cent (19.8 per cent) of sales the directors said that the room for improvement naturally lessened. However, they said the company would continue to focus attention on the ratio.

Orders received in the US increased only by 4.1 per cent but those in Europe and Japan yielded a 48.4 per cent increase. Total orders received were £8.7m up on 1985's total to £88.3m, confirming the leadership position the company's products had in its sophisticated markets.

The directors believed that benefits which were now starting to accrue from the reorganisation of operations in the US would result in a return to a more rapid rate of growth of orders in 1987.

They said that the order book was currently strong and anticipated that this year would be another record year.

Capital expenditure, which had included significant investment in new buildings, exceeded £7.8m of disposals. Factories at Hastings, Wynthenshawe and Burgess Hill had been completed.

Investment income rose slightly to £1.3m (£1.2m). After tax charges up from £5.65m to £7.44m and minority interests of £388,000 (£211,000), attributable profit worked through at £12.28m (£8.46m).

● comment

While the City has become used to good news from VG, the 1.9 per cent rise in trading margins to an impressive 21.7 per cent was not foreseen. Add to this the £14m of cash generated in 1986, which left £18m in the kitty in spite of £7.8m in capital expenditure, buoyant orders and forecasts of £26m for this year and one would expect investors to be rushing for their cheque books. But this is where the rub lies. BAT retains its 67 per cent stake and there are no plans for VG to make a major acquisition that might dilute this holding. As a result there is a great shortage of stock on the market and the shares are vulnerable to even smallish amounts of selling vis last autumn when the price fell an eighth after a couple of shareholders decided to take profits. For VG's long-term good, BAT should either convert the company into an income stock with a yield to match or reduce its holding significantly—after all it is still possible to consolidate at 51 per cent. At 530p the shares are on a prospective multiple of 15½, which still leaves plenty of upside for those willing to take on the risk of profit-taking by others.

Improved margins lift BICC to £101m

AN IMPROVEMENT of nearly 10 per cent in pre-tax profits for 1986 was yesterday reported by BICC, cable and wiremaker, engineer and contractor. With turnover just ahead from £2.11bn to £2.14bn, pre-tax profits rose from £92m to £101m.

The final dividend is stepped up by 0.75p to 8.25p, making a total of 11.75p (11p) for the year. Earnings per 50p share improved from 20.3p to 22.7p.

Sales in BICC Cables were down on the year, from £514m to £467m, Sir William Barlow, the chairman reported, principally due to a sharp drop in demand for cable in the oil and chemical industries following the fall in the oil price. That had an effect on operating profits, which fell from £24.1m to £23.5m.

The costs, of £23m, of restructuring that division, less profits on disposals, are shown as an extraordinary £13m (£11m) debit. In addition, major action to reduce the cost base and improve productivity has been taken. Factory rationalisation costs of £8m were charged against operating profits.

The chairman said that the action taken had resulted in operating margins being held steady over the year, with a significant improvement towards the year end.

Balfour Beatty's profits rose by 41 per cent to £27.2m and turnover from £827m to £988m. That division ended the year with its highest outstanding order book. It is one of the UK contractors in the Channel Tunnel, and it will be acquiring 29.9 per cent in the Devonport Dockyard consortium.

The major companies in BICC International performed well, the chairman stated, and showed increased profits in local currency terms. However, currency weakness, especially the Australian dollar, reduced the sterling profit from £60m to £51.6m. Turnover was down at £551m (£627m). Half of the group's activities were overseas and just over half of operating profits came from overseas, he added.

BICC has divested from its holding in the South African telephone cable company ATC in which it had a 30 per cent

Looking to the future, the chairman said demand in the telecommunications field, particularly for optical cables systems, continued to increase. The group's objective was to attain the leading edge in all BICC's chosen fields of engineering.

Net borrowings fell by £85m compared with £5m in 1985, which reduced gearing from 31 per cent to 6 per cent.

See Lex

NEI down 43% but sees restructuring boost ahead

BY CLAY HARRIS

Northern Engineering Industries said yesterday that its radical restructuring, which would cost £74.7m and 5,800 jobs, was nearing completion. It expected a significant improvement in performance this year.

The Newcastle-based heavy engineering group reported a 43 per cent fall in pre-tax profit last year to £23.2m (£40.5m) on record turnover of £937.5m (£890.3m), as it sold peripheral activities and concentrated its UK manufacturing capacity on fewer sites.

It, nevertheless, intends to maintain its total dividend at 5.5p, with an unchanged final of 3.6p. NEI will have to transfer £71.5m from reserves to cover the dividend and £69.3m in extraordinary charges arising from the rationalisation of its business.

Mr Terry Harrison, chairman, emphasised yesterday that NEI had absorbed all the restructuring costs in 1986. In addition to the extraordinary items, redundancy costs had reduced pre-tax profits by £5.4m. Another 1,800 redundancies will take effect this year to add to the 4,000 jobs lost in 1986.

The rationalisation had been cash-neutral, Mr Harrison said, as disposal proceeds of discontinued businesses offset the £38m expenditure necessary to implement the restructuring.

NEI's manufacturing capacity was unimpaired, Mr Harrison said. It was not counting on any additional orders for UK power stations before 1989, but it could cope with any new business that came along.

It has a £11m contract for the £1.6bn Sizewell B pressurised-water reactor to be built in Suffolk and has submitted tenders or made inquiries about orders worth another £170m.

Energy conversion operations, including Parsons and International Combustion, reported pre-tax profits of £19.3m (£33.4m). The disruption arising from rationalisation and lower UK demand for mining equipment reduced the pre-tax contribution of materials handling activities to £7.5m (£13.2m).

An additional £691m in orders during 1986 lifted the outstanding total to £761m by year-end. Currency movements reduced the value of the new orders by £35m and cut turnover by £39m and pre-tax profits by £2.5m.

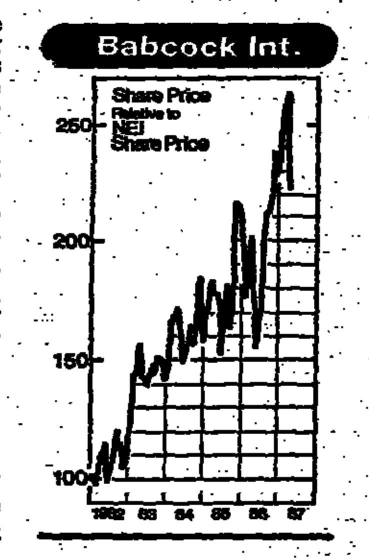
An increased overseas tax charge and unrelieved advance corporation tax on dividends lifted the overall rate from 31 per cent to 47 per cent. The total tax liability fell to £10.9m (£12.4m). Earnings per share fell to 4.28p (11.41p).

NEI shares lost ½p to 94p.

See Lex

Babcock advances to £37.1m

Babcock International, the engineering and contracting group, lifted pre-tax profits from £34.55m to £37.1m in the year to December 28 1986. Turnover moved ahead from £1.1bn to £1.22bn.



Lord King, chairman, said that the predicted slowdown in the US automobile industry was now affecting the North American group.

However, overall profitability in the UK would improve when the Central Electricity Board's ordering programme for both nuclear and fossil-fired power stations got under way and the FATA European group was expected to continue its improved performance in 1987.

Babcock proposed to pay a final dividend of 4.7p (4p), making a total for the year of 8.7p, up 7.6 adjusted for last year's one-for-ten scrip issue.

Trading profits from the energy group, which was reformed into five main operating businesses during the year, fell from £5m to £4.2m on turnover up from £282.5m to £287.7m.

Lord King said that the group's main challenge was the very low order intake in utility boilers and the subsequent pressure on profitability.

The contracting group lifted its trading profits slightly from £3.7m to £4m on turnover up from £80.1m to £84.9m largely as a result of the major projects commissioned during the year by Babcock Woodall-Duckham.

With the mining equipment companies achieving a major improvement to break even after incurring a heavy loss in 1985, the industrial and electrical products group turned a £3.3m trading loss in 1985 into a profit of £1.7m on turnover up almost £3m to £89.5m.

A sound performance by Babcock Africa was offset by poor performances by Claudius Peters, in Germany, and by the Australian group which resulted in a fall in trading profits for the overseas group from £1.7m to £900,000 on turnover up to £170.2m (£145.9m).

Babcock's North American interests contributed trading profits virtually unchanged at £22.9m on turnover up to £436.1m (£410.6m) and Lord King reported that trading conditions had been similar to those experienced during 1985.

He said that much of the development work and organisational changes introduced in the past three years by the FATA European group had borne fruit during 1986. It had turned a loss of £1m into a £4.4m profit on turnover substantially up at £149.4m (£93.5m).

Improved performance during the year allowed some accumulated tax losses to be completely absorbed and resulted in the tax charge rising from £10.4m to £15m with a consequent fall in earnings per share from an adjusted figure of 17.9p last time to 18.3p.

Extraordinary items of £3.45m (£392,000) consisted of losses on closure and disposal of businesses and subsidiary companies.

See Lex

B. Matthews over £2m up but warns on first half

BY RALPH ATKINS

BRITAIN'S appetite for turkey, beef and lamb products helped increase pre-tax profits for Bernard Matthews from £12.9m to £15.07m in 1986.

But the group says bad weather at the beginning of 1987 hit agricultural and processing operations and could significantly affect first half profits for the current year.

Mr Bernard Matthews, chairman, said that farm installations had been damaged and turkeys were not growing as fast as they should.

Shares in Bernard Matthews closed down 49p at 283p.

In 1986 turnover rose to £136.59m from £119.84m. Earnings per share increased to 15.01p compared with 12.3p in 1985.

Mr Matthews said that the market for whole turkeys was static and turnover in this area had not increased. Ready-made meals, which the company is developing, currently account for less than 5 per cent of turnover and are not yet profitable.

"Our strength at the moment appears to be in the meat products market," said Mr Matthews.

Mr Matthews said that some products had reached saturation point, but the company had a policy of developing new products within its core business.

It was also expanding its operations overseas. Following an agreement with H. J. Heinz, of Canada, it was making its first venture into the North American market. It already had a concern in New Zealand processing lamb, he pointed out.

In 1986 tax as a percentage of pre-tax profits fell to 38.6 per cent against 39.24 per cent. Interest payable decreased to £462,000, compared with £1.06m.

A final dividend of 2.25p stepped up the total for the year to 3.5p compared with an equivalent of 2.75p in 1985. Shareholders will also be asked to approve a one-for-one scrip issue.

● comment

Despite a lot of good news from Bernard Matthews, its share price fell considerably following its announcement about January's weather, which could cost the company about £2m over the full year. Yet there is a lot to suggest that 1987 will still be another record year. Matthews has a first class brand name and product line. Some areas, such as whole turkeys, may have reached saturation point, but the success of new products suggests there is a lot of steam left in the meat products market. Even if there is a limit to UK sales there remains the potentially vast international market which Bernard Matthews has only just began to exploit. Pre-tax profits of about £17m are forecast for 1987 which on yesterday's closing price of 283p gives a prospective p/e of about 16. This is not overpriced given exceptional weather factors. It is also indicative of how attractive the Bernard Matthews group would be to a larger company should Mr Matthews decide to relinquish some of his holding.

Public Works Loan Board rates

Effective March 25

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1			8¾			9¼
Over 1, up to 2	8¾	8¾	8¾	9¼	9¼	9¼
Over 2, up to 3	8¾	8¾	8¾	9¼	9¼	9¼
Over 3, up to 4	8¾	8¾	8¾	9¼	9¼	9¼
Over 4, up to 5	8¾	8¾	8¾	9¼	9¼	9¼
Over 5, up to 6	8¾	8¾	8¾	9¼	9¼	9¼
Over 6, up to 7	8¾	8¾	8¾	9¼	9¼	9¼
Over 7, up to 8	8¾	8¾	8¾	9¼	9¼	9¼
Over 8, up to 9	8¾	8¾	8¾	9¼	9¼	9¼
Over 9, up to 10	8¾	8¾	8¾	9¼	9¼	9¼
Over 10, up to 15	8¾	8¾	9	9¼	9¼	9¼
Over 15, up to 25	8¾	9	9	9¼	9¼	9¼
Over 25	9	9	9	9¼	9¼	9¼

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Reuters buys Canadian computer company

BY ALAN CANE

Reuters, the leading, London-based electronic financial services vendor, has agreed in principle to acquire I. P. Sharp Associates of Toronto, Canada, a major computing services company.

The purchase price is £30.4m (C$62.4m at an exchange rate of C$2.05 to £1). Purchase options have been granted to Reuters by a number of I. P. Sharp shareholders representing 67 per cent of the common stock of the company.

I. P. Sharp, founded in 1964 and with unaudited revenues last year of C$55m (£26.8m), has a number of products and services which are complementary to Reuters' existing offerings in on-line financial information.

It operates a world-wide data-communications network from a centre in Toronto through which its customers can interrogate some 130 files of electronic information covering financial, aviation and energy areas. The network is interactive; that is, I. P. Sharp's customers can carry on a "dialogue" with the system to extract the information they require.

Reuters' existing services are chiefly broadcast; information is delivered to and displayed on the customer's video screen but cannot be manipulated.

The acquisition of I. P. Sharp fits Reuters' plans to become a fully comprehensive supplier of electronic financial services.

In recent months it has acquired Rich, a US-based manufacturer of dealing systems, Instinet, a US company providing an electronic stock dealing service, and Finsbury Data Services, a UK company selling a full-text retrieval service covering business and financial information.

I. P. Sharp has software for the borrowing and lending of securities and a global limits system for foreign exchange dealers and cash and portfolio management software which is also of special interest to Reuters.

Mr Ian Sharp, the founder, said yesterday that the stakes in the computing services business were rising annually. Funds were now limiting the number of new products that the company could develop.

There had been a loss of C$1.6m (£780,000) in 1986 but the company had retrieved the position in the first quarter of 1987.

Reuters said yesterday that it would provide the company with such finance as was necessary to bring new products to market in line with its plans in the equities and foreign exchange markets.

The senior management team, including Mr Sharp, is expected to continue to run the company.

TVS gives voting rights to all its shareholders

By Raymond Snoddy

Television South (TVS), the fast-growing independent television company, yesterday enfranchised all its shares. At an extraordinary general meeting, TVS agreed that the present classes of voting and non-voting shares should be replaced by a single class of ordinary shares.

The enfranchisement of TVS shares has been a growing trend and has been implemented at most of the major companies with the encouragement of the Independent Braodcasting Authority.

Until now, there had been only 4,000 voting shares at TVS, about half held by the company's directors.

When TVS raised more than £19m in a right issue last July, institutional investors expressed disquiet about the share structure and said they wanted it changed before any future rights issues.

The new structure means that more than 34m ordinary shares are now enfranchised.

The move also means adoption of new articles of association for the company so that no person may hold an interest in excess of 10 per cent of the share capital. The IBA also has to be notified of any change in shareholding above 1 per cent.

Ibstock Johnsen 63% ahead on second half advance

GATHERING PACE is 1986 progressed, the Ibstock Johnsen group, involved in building products and fibres, finished the year with turnover ahead 12 per cent to £130.93m and the pre-tax profit up 63 per cent from £11.36m to £18.54m.

Mr Paul Hyde-Thomson, chariman, said profits in the second half almost doubled those of the first, with all divisions making substantial gains.

The benefits of strong trading and the June rights issue proceeds meant that borrowings were less than £7m at the year-end.

He said with trading prospects bright and all divisions operating well, the group was well placed to move into a new phase of development.

Earnings in the year came to 19.36p per share (13.22p). The final dividend is 4.3p for a net total of 6p (4.8p), and a one-for-one scrip issue will be made.

Excellent progress was achieved in the US, with turnover up to £66.55m (£61m), and profit to £5.06m (£753,000). Glen-Gery took advantage of strong building activity.

UK turnover rose to £64.39m (£55.4m) and trading profit to £15.04m (£13.63m). Benefits from the programme of recent years helped the second half performance.

Profit from fibres rose to £1.45m (£825,000), but was still less than the exceptional 1984. The associate, Eucalyptus Pulp, had a good year and the holding has been raised from 22.7 to 42.6 per cent.

The chairman has given up his executive responsibility. Mr Peter Woodman has joined the board as managing director.

• comment

Ibstock's disappointing performance in 1985, when pre-tax profits fell by £1.06m, means that last year's 46 per cent increase in earnings per share is somewhat flattering. None the less this is a creditable performance. The main highlight was in hte US, where after a seven year struggle, the company at last started to achieve respectable margins. With American demand for bricks probably at a peak, the US operation can perhaps only look for growth of around 20 per cent, so Ibstock will be largely dependent on Britain if it is to impress this year. Here the signs are good. Ibstock is in a strong position to benefit from the 5 per cent growth in the brick market because it is increasing its production capacity from 285m last year to 307m in 1987. All the extra bricks will be in the high margin value-added area. Profits will also be helped by the company's increased stake in the Bahamas-based Eucalyptus pulp mills. Altogether the City is looking for about £25m at the pre-tax level, putting the shares at 268p, on a p/e of about 11.

Stag Furniture profits cut to £755,000

HIT by poor results between April and August, taxable profits of Stag Furniture Holdings, Nottingham based furniture maker, slumped from £1.35m to £755,000 for the whole of 1986. Turnover was little changed at £30.6m, against £30.4m.

However, an improved order intake and satisfactory figures for the first two months of the current year lead directors to believe that 1987 results will show a significant improvement over those for 1986.

Earnings per share were shown as halved at 6.4p (12.8p) but the improved outlook is reflected in the maintained dividend payment of 5.5p via a same-again final of 3.75p.

Mr Williams Evans has been appointed group managing director with effect from April 7.

Giltrap has over 5% stake in Wm. Jacks

By Clay Harris

Mr Colin Giltrap, a leading New Zealand motor distributor, has increased his holding in William Jacks. He now owns 5.27 per cent of the Berkshire-based car dealer and overseas trader.

Jacks has BMW, Mercedes-Benz, Volkswagen Audi and Austin Rover dealerships and owns builders' merchants and manufacturing facilities in Zambia.

With 60 per cent of its shares owned by Johan Holdings of Malaysia, Jacks does not expect a bid from Mr Giltrap, who first bought shares early last year. Its shares added 4p to 43p to give the company a market value of nearly £4.3m.

Mr Giltrap failed last month in a £10m hostile offer for Frank G. Gates, the London-based Ford dealer. No change has been announced in the 20.7 per cent stake in Gates which his Giltrap Holdings bought during that bid.

The two men who would have managed Gates for Giltrap, Mr Richard Palmer and Mr Bruce McNeill, subsequently mounted a successful management buy-in at Western Motor Holdings, Plymouth-based vehicle transporter.

Dixons gets only 22% of Cyclops

BY CHRISTOPHER PARKES, CONSUMER INDUSTRIES EDITOR

Dixons Group's attempt to break into US electrical retailing has stalled. It ran into difficulties at midnight on Tuesday when the British company's $90.25-a-share tender offer for Cyclops of Pittsburgh expired.

The $384m bid seemed to be proceeding smoothly last Friday, when Dixons reported that 54 per cent of Cyclops stock had been tendered.

However, following an increased bid and a change in conditions from counter-bidder Audio/Video Affiliates, the volume of stock tendered began to dwindle as offers were withdrawn.

By the expiry time, Dixons had a firm hold on only about 22 per cent of Cyclops's equity. This comprised just over 20 per cent tendered and not withdrawn by the deadline, and a small holding purchased earlier.

Despite the setback, Dixons said yesterday that it expected to "proceed towards consumation of the merger." The company refused to comment further.

However, it has a firm platform on which to build its holding and ultimately win control. It could increase its grip by buying in the market. It could also launch a new tender offer to match or exceed the conditional $92.50 put up by Audio/Video and its backers.

Cyclops shares rose 50 cents yesterday morning and were trading at $92 around noon, US time.

Because of the leveraged nature of its bid, Audio/Video, which originally offered $80 a share, would need to capture 80 per cent of Cyclops's stock to take the group over.

This could be achieved only if Dixons were to pull out.

USM listing values Wyevale Garden Centre at £7.2m

Wyevale Garden Centres, a company operating one of the biggest chains of garden centres in the UK, is to join the Unlisted Securities Market through a placing, which will value it at £7.23m.

Capel-Cure Myers, the stockbroker, is placing 1.08m shares at 120p each. All the shares, representing 18 per cent of the expanded equity, are newly issued so all the net proceeds of £1.14m will go to the company.

Hereford-based Wyevale sells plants and other products for the home and garden. It also licenses franchise space for greenhouses, garden sheds, garden machinery and swimming pools.

COMPANY NEWS IN BRIEF

ASTRA INDUSTRIAL GROUP is raising £2.79m net through a proposed rights issue of 26.98m shares at 11p each on a five-for-14 basis. It is also proposing a name change to Astra Trust.

TOPS ESTATES is raising about £8m by the issue of up to £976,159 nominal of 7¾ per cent convertible unsecured loan stock 2014 by way of a rights issue at 825p per £1 nominal of loan stock.

GORDON RUSSELL (full listing in November 1986): Turnover £16.6m (£11.42m) and pre-tax profit of £1.81m (£1.02m). Tax was £637,000 (£407,000) and earnings per share 14.7p (7.9p).

KEEP TRUST (investments, motor trader, engineer)—Turnover £77.73m (£65.99m). Pre-tax profits £2.71m (£2.18m). Earnings per share 29.3p (21.5p). Dividend 6.75p (4.5p) with a final of 4.5p.

BANRO INDUSTRIES (engineering, distribution, security equipment): Turnover for 1986 was £40.4m (£31.4m) and pre-tax profits £2.53m (£1.62m). Earnings per 20p share 17.6p (12.5p), final divided 5p for 7p (adjusted 5.83p) net total. A one-for-ten scrip issue is proposed.

JOHN MAUNDERS (housebuilder): Interim dividend 2.6p (2.4p) in six months to December 31 1986. Turnover £14.14m (£12.37m) and pre-tax profits £1.21m (£858,000). Tax £448,000 (£351,000) and earnings per share 12.8p (7.9p).

J. E. BEALE, unquoted department store group, raised pre-tax profits by 45 per cent to £1.11m in the year ended November 1, 1986. Final dividend is 15p net.

IPECO HOLDINGS: Final dividend 1.85p, making a 2.85p total for 1986. Turnover £8.69m (£8.63m) and pre-tax profit £3.02m (£2.96m). Tax £1.12m (£1.28m). Earnings 7.24p (7.19p) per share.

MURRAY ELECTRONICS: Total revenue £872,000 (£675,000) for six months to January 31 1987. Pre-tax profit £346,000 (£288,000); tax takes £101,000 (£110,000). Earnings per share were 0.82p (0.59p) and net asset value 79.34p (78.64p).

MERLIN International Properties is in discussions with various parties which may result in acquisitions which will substantially increase the size of its business. Directors will give a detailed announcement in May.

ASSET TRUST announced that talks with a third party, which may or may not lead to an offer for the company, were at a very preliminary stage.

DIVIDENDS ANNOUNCED

Associated Book	3.75	—	3.5	6	5.6
Babcock Int	4.7	May 26	4*	8.7	7.6*
Banro	5†	May 5	4.33*	7	5.83*
Charles Barker	2	May 28	—	3	—
BAT Inds	8.8	June 9	7.35	14.3	12.1
Bemrose	6	May 29	4	9	5
BICC	8.25	July 1	7.5	11.75	11
Bowthorpe Holdings	5.42	July 1	4.67	8.1	7
Bridon	4	—	3.5	5.5	5
Britannia Arrow	3.2	May 23	3	5	4.2
Britannic Ass	24.5	May 14	20.3	35.5	29.8
Delta Group	5	—	4.15	7.6	6.5
Gibbs Dandy	2	May 15	1.8	2	1.8
Hepworth CER	5.18	July 1	4.3	8.28	7.2
Ibstock Johnsen	†4.3	—	3.8	6	4.8
Iceland Foods	2.5	May 22	2.2*	3.75*	3.3*
Ipeco Holdings	1.85	May 29	—	2.85	—
Keep Trust	4.5	—	2.63	6.75	4.5
London Park ...2nd int	6.5	—	6.5	10	10
Lowe Howard	†5.3	May 11	4	8	6
Bernard Matthews	2.25	—	1.81*	3.5	2.75*
John Maunders ...int	‡2.6	—	2.4	—	5
NEI	3.6	July 1	3.6	5.25	5.25
Ocean Transport	6.1	June 1	3.95	9	6.5
Relyon	3.5	May 26	3	5.3	4.65
Stag Furniture	3.75	May 21	3.75	5.5	5.5
A. G. Stanley	1.75	—	1.5	3.25	2.5
Steel Burrill	6.6	May 21	5	9	7*
TCI	‡2.5	—	—	4	—
Trade Indemnity	2.45	—	1.83*	4.3	3.25*
Tricentrol	nil	—	1	nil	5
VG Instruments	2.4	May 29	1.8	3.6	2.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Tricentrol hit by £57m write-down

BY LUCY KELLAWAY

Tricentrol, one of the worst afflicted of the UK oil independents, yesterday unveiled an attributable loss for 1986 of £61.2m, compared with a profit of £24.7m, and announced it was *withholding its dividend.*

The figures contained a write down of £57.5m relating to the US operations which were sold off last year. The company said that the sale, which was necessary to reduce borrowings, had released more than £50m, and helped cut bank debt to £4.9m.

During the year long term debt was reduced by about £25m, to stand at £160m at the year end.

The company said that it was completing a refinancing package which would remove its short term need for cash, and enable it to pay for its share in the onshore Wytch Farm oilfield.

Mr James Longcroft, chairman, yesterday described Tricentrol as "primarily a development company," and said that it would concentrate on its proven assets. Meanwhile, its exploration budget would be "small but adequate," he said.

Mr Longcroft was optimistic that Tricentrol would succeed in obtaining the finance to develop its interests, and hoped the company would be able to retain most of its existing stakes. If so, he predicted that asset value should increase "with great rapidity" as the fields come into production.

The chairman complained that the Budget measures to change the "ring fence" would have negligible benefit to Tricentrol. At oil prices of more than $10 a barrel, he said, the company was paying PRT on its Thistle production, and would have to spend £9m this year to eliminate the burden.

The interest charge next year was not likely to be reduced as the company will have to borrow additional funds to finance developments.

In 1986, Tricentrol incurred a loss of £3.7m, after a tax credit of £4.8m, but before the extraordinaries. This compared to a net profit of £25.4m in 1985, when it paid a total dividend of 5p net. The reduction was due both to a fall in production and to the collapse in the oil price.

However, the decline was partly offset by lower production costs, which were cut by £7.5m, reduced overheads which were down by one third, and a lower depletion charge.

In the interests of cutting costs further, Mr Longcroft said that no more reports would be sent to shareholders for the first and third quarters, although the company would continue to issue brief reports to the Stock Exchange.

See Lex

Delta lifts profits 14% after strong second half

FOR THE fifth successive year Delta Group has improved its performance, with pre-tax profits for the year ending January 2 1987 up by 14 per cent from £50.61m to £57.78m. At the halfway stage profits were only slightly ahead at £27.2m against £26.6m, held back by adverse exchange rates.

The directors are recommending a 20 per cent increase in the final dividend to 5p (4.15p), raising the total for the year by 1.1p to 7.6p. Net earnings per share improved marginally to 24.8p (24.5p) and on a nil basis to 22.7p (20.9p).

Mr Geoffrey Wilson, the chairman, said that electrical equipment, the group's largest business, continued to perform well, with profits up from £27.6m to £28.59m, and an overall margin of 11 per cent. Industrial services produced an excellent result, he said, up from £16m to £18.78m, but profits in the engineering businesses were slightly lower at £19.75m (£11.13m).

Commenting on the outlook, the chairman said the signs of improvement in UK demand evident towards the end of 1986, had continued. Overall, the current year had started well, with performance close to budget, he added.

Turnover for 1986 fell from £555.81m to £533.59m, and operating profits came out lower at £46.89m (£47.7m), after charging depreciation of £15.28m (£14.36m).

Tax took £20.31m (£14.12m) for the year. Minorities were £1.75m (£1.32m) and there was an extraordinary £0.37m (£1.93m) debit.

● comment

Delta has an image problem. However justified its boasts about return on capital employed and pre-tax profit margins, it is in mature markets which promise pedestrian growth at best. Operating profits actually fell last year, leaving only the South African contribution and the cut in the interest charge to bring about a better-than-expected pre-tax figure. Some modest improvements in volume and prices should enable profits from the mainstream businesses to outweigh the cut in the South African contribution this year, and the elimination of debt should help lift the pre-tax figure a little to £61m. After the cut in minorities and a levelling out of the tax charge, the prospective p/e multiple comes out at the habitually humble 9½ at yesterday's 261p. It is likely to stay there until the company puts its hand in its pocket to buy something more exciting—or until someone else threatens to do it for them.

Further growth at Britannia Arrow as profits hit £29.5m

Britannia Arrow Holdings yesterday reported a 50 per cent increase from £19.7m to £29.5m in pre-tax profits. The total dividend is 5p net against a forecast figure of 4.2p, with the final increased from 3p to 3.2p.

Pre-tax profits include results of subsidiaries acquired during the year from their effective dates of acquisition. The incentive compensation payable to executives of Gardner and Preston Moss Inc., which formed part of the terms of agreement to acquire that company, has been written off directly to reserves and amounted to £10.7m.

Costs relating to the development of new UK and offshore insurance products have been written off as an exceptional item. These amounted to £881,000 (£1.11m). The other exceptional items during the year were payments following termination of employment, amounting to £520,000.

The accounts of the National Employers Life group are not consolidated in the parent's figures. NEL carries on long-term business so is dissimilar from those of other companies within the group. Consolidation would, therefore, be misleading, say the directors.

The group strengthened its investment management operations last May with the acquisition of MIM and an investment in the NEVESCO partnership.

Fund under management at the year-end (including those of the INVESCO partnership in 1986) totalled £15.85bn compared with £4.85bn in the previous year.

Group turnover (excluding banking and insurance) soared from £467.26m to £854.4m. Both UK and international investment management operations improved their figures with the figures with the UK up from £7.26m to £10.51, and international at £10.73m against £6.1m.

Merchant banking moved ahead from £10.02m to £11.98m, but insurance was down slightly at £972,000 (£994,000). Investment and other income, including interest receivable, was £1.75m (£1.87m), and other income, including interest receivable, was £1.75m (£1.87m), and property brought in £1.82m (£1.89m).

● comment

Last year was a very busy one for David Stevens—Fleet Street turmoil at one end of his empire and rapid growth by acquisition at the other, Britannia Arrow. MIM looked something of a snip time compared with the going rate in the sector when it was purchased for £40m. Even the costs of its integration plus computerisation have not prevented Britannia from coming in at the top end of the forecast range which must bode well for 1987. The £47m spent on a 45 per cent stake in Ivesco, which has $9.6bn of funds under management, has certainly helped boost the group total to almost £16bn and confirm international investment management as the star performer. Pre-interest Singer and Friedlander grew 20 per cent while insurance and property stood still. This year MIM should make a clean contribution and pre-tax profits should rise to £48m. With its shares at 182½p and with the rights issue plus the placing to fund the Ivesco move now fully digested, Britannia has to look cheapish on a multiple of 14 as long as the bull markets roar on.

Trade Indemnity rises to £9.7m

BRITAIN'S continued recovery from the recession of the early 1980s helped Trade Indemnity, the country's leading credit insurer, boost pre-tax profits by 18 per cent to £9.74m in 1986.

The company insures against losses suffered if trade creditors become insolvent and fail to pay for goods and services.

Eighty per cent of its premium income comes from insuring UK domestic credit risks. The remainder is made up of inward reinsurance, Australian credit insurance, and export credit insurance, where Trade Indemnity competes with the Government's Export Credit Guarantee Department (ECGD).

Earnings per share rose by 18 per cent in 1986 to 26.5p, and the company recommended a final dividend of 2.45p per share, making a total dividend for the year of 4.3p, up 32 per cent on 1985.

Trade Indemnity declares underwriting results using a three-year accounting period. Premiums written on the 1984 account were £61m, up 19.8 per cent on 1983.

The 1984 account produced a £6.01m underwriting profit, nearly £1m more than the 1983 figure.

Investment income in 1986 was £3.73m, up 17.8 per cent, making a total pre-tax profit of £9.739m. New business premiums in 1986 totalled £9.03m, up from £8.31m in 1985.

● comment

Hidden in a drab back street in Shoreditch, Trade Indemnity is a well-kept secret. It believes it has declared an underwriting loss only three times in 68 years of life. Hardly surprising, since it has cornered its highly-specialised market (since 1936, Lloyd's of London has banned its syndicates from the field). One analyst estimates that from 1976-1985 Britain's composite insurers produced profit margins of only 4.5 per cent of total premiums, but Trade Indemnity has recently been achieving 38 per cent. Yet it remains a connoisseur's stock—because 79 per cent of the equity is held by seven major insurance companies, the biggest being Guardian Royal Exchange and Swiss Re. With its shares down 3p to 325p last night, Trade Indemnity looks cheap, on a prospective multiple of 10. It has room for growth: it estimates that 45,800 UK companies with turnovers of more than £1m still do not insure against bad debts. One gloomy note is that it forecasts more insolvencies as the oil industry languishes and companies loosen controls in a mood of euphoria over economic prospects.

Cambridge Instrument to offer shares at 130p

BY PHILIP COGGAN

Cambridge Instrument, the scientific equipment manufacturer, yesterday announced that the offer price of its shares in its forthcoming main market issue would be 130p, putting a market value on the company of £127m.

The group manufactures scanning electron microscopes, semiconductor equipment and after last year's acquisition of Reichert Industries, optical equipment. It was acquired in 1979 by a group of investors including Dr Terence Gooding, the executive chairman.

Based on its recent pre-tax profits forecast of £7.5m for the year to March 31, the p/e ratio is 14.8 on an actual tax, and 19.2 on a notional 35 per cent tax basis.

Kleinwort Benson is targeting just over half the offering of 36.26m shares, 37 per cent of the enlarged equity, at individual investors and so far, it has received 80,000 requests for prospectuses.

Analysts felt that the price was at the upper end of expectations, given the lack of information about semiconductor equipment profits and the prospect of a rising tax charge. The prospectus will be published in tomorrow's newspapers.

Steel Burrill jumps to £5.6m

Including an enhanced profit on exchange of £461,000, against £175,000, insurance and reinsurance broker Steel Burrill Jones Group lifted its 1986 pre-tax profit from £4.77m to £5.59m.

Notwithstanding the weaker US dollar, brokerage and income fees increased by nearly 34 per cent to £9.38m, contributing to a gross income 32 per cent higher at £11.31m.

Turnover in volume terms for 1987 was expected to increase further and, because of selling dollars forward, the impact of the current strength of sterling would be reduced. However, the average dollar conversion would inevitably be higher.

Earnings for 1986 rose to 19.9p (15.8p) per share and the dividend is, in effect, lifted by 2p to 9p net, with a final of 6.6p.

Gibbs and Dandy

Gibbs and Dandy, Luton-based builders' merchants, improved pre-tax profits by 34 per cent in 1986. On turnover ahead from £18.28m to £19.56m, the pre-tax result rose by £206,982 to £808,126.

The single final dividend is raised from 1.8p to 2p, to be paid from earnings of 5.8p (5.3p) per 10p share.

Tax was £340,454 (£172,434).

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1985							
3rd qtr.	108.3	103.9	104	116.1	145.2	3,124	164.4
4th qtr.	108.4	102.6	106	115.7	177.7	3,122	163.2
1986							
1st qtr.	109.1	102.5	105	118.2	145.4	3,171	166.5
2nd qtr.	109.3	103.5	105	120.0	152.7	3,203	175.6
3rd qtr.	110.6	104.6	106	122.1	157.4	3,212	200.5
4th qtr.	109.6	106.0		124.8	192.5	3,143	212.0
July	110.2	104.5	102	120.9	152.2	3,223	193.2
August	111.1	104.2	103	122.0	155.3	3,219	201.1
September	110.6	105.1	113	123.2	158.7	3,193	206.4
October	110.0	105.5	108	123.2	164.7	3,165	212.3
November	110.1	106.1	116	126.4	182.1	3,145	215.2
December	109.4	106.2		125.0	223.2	3,119	210.0
1987							
January	109.8	103.9		122.3	157.4	3,118	210.3
February				125.6		3,074	207.1

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Cnsmer. goods	Invest. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1985							
4th qtr.	103.7	102.7	113.5	103.2	114.0	102.4	15.8
1986							
1st qtr.	103.0	101.2	115.4	101.4	110.3	102.7	14.5
2nd qtr.	104.5	100.5	115.4	102.0	110.0	102.5	19.3
3rd qtr.	105.8	101.1	117.2	103.0	107.6	101.8	18.9
4th qtr.	106.6	102.1	115.0	104.9	115.7	101.9	15.87
July	105.4	101.3	116.5	103.6	109.0	101.9	20.8
August	106.1	100.1	118.5	102.0	107.0	102.0	16.6
September	106.0	101.8	116.7	104.0	107.0	102.0	19.4
October	105.7	102.3	115.7	104.0	113.0	102.0	19.5
November	107.3	101.7	115.2	105.0	117.0	103.5	17.2
December	106.2	102.2	114.2	106.0	112.6	100.6	10.6
1987							
January	105.3	100.7	116.0	104.0	110.0	100.0	11.6

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserve US$bn*
1985							
4th qtr.	118.6	123.0	−171	+725	+1,984	101.6	15.54
1986							
1st qtr.	117.5	124.9	−1,227	+759	+1,899	101.0	18.75
2nd qtr.	121.9	128.8	−1,551	+303	+772	102.6	19.26
3rd qtr.	122.6	133.5	−2,373	−629	+646	103.1	20.14
4th qtr.	130.5	142.4	−2,602	−982	+846	100.8	21.97
July	125.7	136.2	−659	+ 92	+239	103.4	19.08
August	115.9	139.9	−1,383	−632	+159	103.8	18.98
September	126.2	130.3	−831	− 89	+258	102.3	22.43
October	127.0	139.6	−715	−115	+226	101.5	21.58
November	132.8	146.7	−1,000	−480	+354	100.9	22.01
December	131.6	143.9	−887	−287	+266	100.1	21.92
1987							
January	125.0	131.2	−327	+ 73	+371	100.2	21.95
February							22.36

FINANCIAL—Money supply M0, M1 and sterling M3 (three months' growth at annual rate), bank sterling lending to private sector; building societies' net inflow; HP†, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank lending £m	BS inflow £m	HP lending† £m	Base rate %
1985							
4th qtr.	2.9	17.0	13.9	+5,378	2,280	3,486	11.50
1986							
1st qtr.	4.1	21.4	19.2	+6,202	2,229	7,375	11.50
2nd qtr.	3.1	25.9	27.3	+6,450	1,433	7,673	11.50
3rd qtr.	5.9	30.7	15.5	+6,942	168	7,729	10.00
4th qtr.	7.6	15.6	14.1	+10,836	2,814	8,223	10.00
July	5.4	35.1	20.6	+3,314	387	8,178	11.00
August	5.7	22.0	8.2	+2,750	452	2,685	10.40
September	6.6	35.5	18.2	+878	−671	2,668	10.00
October	6.3	20.2	14.9	+3,520	1,951	2,570	10.00
November	6.4	29.5	19.2	+3,875	160	2,759	11.00
December	11.0	−1.1	8.5	+2,901	160	2,635	11.00
1987							
January	10.8	17.1	12.6	+1,745	703	2,784	11.00
					456	2,664	11.00
February					472		11.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1974=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	Reuters* cmdty.	Sterling
1985							
4th qtr.	176.9	132.6	141.4	378.1	337.4	1,771	79.8
1986							
1st qtr.	179.1	132.4	143.4	380.8	343.3	1,813	75.1
2nd qtr.	184.0	125.8	145.7	385.7	349.5	1,458	76.1
3rd qtr.	187.4	120.8	146.2	386.1	348.1	1,544	71.9
4th qtr.	191.0	127.4	147.4	391.0	348.3	1,637	68.2
August	187.2	120.3	146.3	385.9	348.6	1,461	71.4
September	186.8	122.4	146.7	387.8	348.3	1,544	70.4
October	188.3	124.3	147.0	388.4	347.6	1,660	67.2
November	191.2	127.5	147.4	391.7	347.5	1,617	68.5
December	193.4	130.4	147.9	393.0	349.8	1,637	68.4
1987							
January	190.4	131.8	148.8	394.5	354.0	1,694	68.8
February		129.5	149.2	396.1		1,586	69.0

* Not seasonally adjusted.
† From January 1986 includes amounts outstanding on credit cards.

UK COMPANY NEWS

Nikki Tait on the battle over US Debenture's future

Brickbats ready to fly

NOTHING BEATS a City bun-fight. Even so, when opponents file into The Chartered Insurance Institute for this morning's annual meeting of the £250m US Debenture Corporation, battle-lines can seldom have looked so distinguished—or so complex.

At face value, the struggle is all about the principles of investment management. Underneath, it is a bewildering array of City alliances.

USDC is a large, non-specialised investment trust, currently managed by G. T. The least likely of ginger groups, the Water Authorities Superannuation Fund, wants to turn it into a unit trust—a move which would eliminate the traditional discount (the difference between an investment trust's asset backing and its share price) and which has already pushed the share price to 363p. That compares with end-1986 nav of 353.3p and a price of around 280p six months ago.

Not surprisingly, USDC's board — which is chaired by David Hopkinson, former head of Britain's largest unit trust group, M & G, and includes leading luminaries from Robert Fleming, Barclays Bank and Brown Shipley—is virulently oposed. "The sole purpose is asset-stripping," thunders Hokinson, invoking all the anti short-term arguments. "The principle is absolutely monstrous."

Not so, claims the Water fund, in the light of the USDC board's behaviour. Remember last summer when Ensign Trust, an investment trust controlled by the Merchant Navy pension funds, made a £86m bid for Berry Trust? Berry, like USDC, is managed by GT and held a 11.7 per cent stake in the fund management group. A concert party, including USDC, immediately rode to Berry's rescue, picking up 27 per cent of the shares. Ensign was frustrated.

Mr David Hamilton, chairman of US Debentures.

At that stage, the Water Authorities fund held around 6 per cent of USDC. In October, it raised this to 12 per cent and within months called for unitisation. "Our objection is not performance which has been disappointing rather than bad," maintain the Water men, "It is the way USDC was used to defend Berry Trust." USDC, it argued, bought Berry shares at a bid-inflated price; it did not consult shareholders; and had no right to interfere with the outcome of the Berry bid.

"Pure smoke-screen," claims Mr Hopkinson. USDC, he argues, has performed well; investment trusts have a heap of advantages, like gearing potential and lower management costs, over unit trusts; and that all the Water Authorities and its allies are really seeking is a quick buck.

Looked at more dispassionately, stockholders may find flaws on both sides. Raising one's stake in a company whose management has lost one's trust is not the most common of responses. More critically, no one has really explained why unitisation—rather than a change of management or board—is the best solution to USDC's problems.

But equally, the concert party action finds few supporters—though Mr Hopkinson has maintained that the Ensign offer (cash equivalent to 92 per cent of formula asset value) was derisory and reserved to be seen off. His second line of defence is that USDC directors thought it essential to protect the trust's own holding in GT.

Moreover, USDC has scarcely been a star of the investment trust sector; its performance in 1986 was merely average for large non-specialist funds. And the fact that USDC's two largest holdings at end-1986 were £7.3m stake in GT and £6.8m interest in M&G also looks a little too cosy for comfort.

Mr Hopkinson has never been optimistic about his chances. At an earlier EGM in January, the Water Authorities fund's call for unitisation gained the backing of 44.9 per cent of shareholders—including Nat-West Investment Bank, Standard Life, and the Merchant Navy Officers pension interests.

There was then an even larger backing for a holding moton proposed by the board.

If hearts and minds are unchanged, that is a formidable obstacle. USDC's board has already said that, if it loses today, it will formulate a scheme allowing stockholders to remain in an investment trust or switch into units.

However before then, expect some brickbats to fly in Aldermanbury.

Ocean Transport at £37m on surge by land-based side

Ocean Transport & Trading has achieved its profit forecast, and is meeting the promise of a 6.1p final dividend to shareholders.

For the year 1986 group pre-tax profit moved ahead from £31.9m to £37.2m. That was right in line with the forecast made when successfully fighting off the £258m bid from Mr Ron Brierley, the New Zealand entrepreneur—he still retains just under 30 per cent of the capital. The final dividend brings the year's total to 9p (6.5p).

Mr W. Menzies-Wilson, chairman, said the improvement in profits reflected strong growth in the land-based businesses, where trading profit rose from £12.1m to £23.2m, out of the total £31.3m (£18.8m).

The share from associates fell to £10.3m (£26.8m) reflecting the sale of Ocean's interest in Overseas Containers for £92m, a premium of some 60 per cent to book value. OCL's contribution this time was £6.2m (£23m) —if that was excluded Ocean's profit before tax and losses on disposal of ships (£5.6m last year) more than doubled from £14.5m to £31m in 1986, the chairman stated.

The sale of OCL also transformed the balance sheet, as net borrowings were reduced from £82.9m to £12.6m by the year-end. It also provided the opportunity to acquire the outstanding 50 per cent of Panocean Storage & Transport, which produced record profits, and later the airfreight forwarding subsidiaries of Jardine Matheson Holdings.

During the year and early in 1987 significant progress was made with the rationalisation of the shipping interests. An extraordinary charge of £1.9m (£3.5m) was largely concerned with the costs thereof, as well as the benefits of the OCL sale.

The chairman looked with great optimism to future development, especially in the priority markets of international freight forwarding, specialised storage and distribution, and environmental services.

● comment

There can be little doubt that OT&T has put its best foot forward and found dry land with these figures—although they were well rehearsed in the November defence document. Slower than most to extricate itself from the unprofitable parts of the shipping business, DT&T, prodded by Ron Brierley, has now made this change. Just over a quarter of its capital is employed in shipping compared with 71 per cent at the end of 1985. The group's future is also likely to be largely land-locked with a full year from the now 100 per cent owned Panocean plus the benefits of Jardine's integration into MSAS coming through. About the rest of the business—warehousing, marine services and the shipping rump—a more sanguine approach is probably justified. Similarly, the prospects for Brierley bidding again do not, at these price levels, look very good. Last year the asset value conscious New Zetlander was most reluctant to up his offer to 260p compared with yesterday's 323p. With £1 a share profit in the bag, he may be inclined to move on as might M&G given that this year a more pedestrian 15 per cent rise in pre-tax profits to £34m is what is in view.

FADS improves 19% to £3.2m

BY RALPH ATKINS

A. G. Stanley Holdings, which operates FADS home decorating stores, increased pre-tax profits in 1986 from £2.69m to £3.21m, a rise of 19 per cent.

The increase reflected strong performances in the group's shops, and from its wallcovering mill in Cheshire which reported an operating profit of £497,000.

During 1986 the group spent £3.6m on opening 18 new stores and refurbishing 29 others. It also closed 19 stores, but its total selling space increased from 700,000 sq ft to 750,000 sq ft.

Turnover rose to £64.64m compared with £59.86m. Earnings per share were up to 7.79p against 5.82p in 1985.

Mr Malcolm Stanley, chairman, said that research had shown it was women who made decisions about decorating and that they preferred stores in town centres close to other shops, rather than large out-of-town stores favoured by Texas Homecare and B&Q.

For this reason the group is developing medium-sized shops of up to 10,000 sq ft specialising in decorating. "We give more square footage to decorating products than Texas or B&Q," said Mr Stanley.

But he admitted that the group's wallcoverings business had beena burden on the group. "In the past two or three years we have put a disproportionate amount of money into our mill," he said.

The group believes that there is potential for opening another 200 stores in the UK. It has not made any acquistions since 1979, but says it could be a means of increasing its rate of growth in the future.

Borrowings rose to £2.63m (£1.25m) reflecting increased capital expenditure. Gearing stands at about 20 per cent.

In 1986 interest payable increased from £131,000 to £248,000. The tax charge was £1.22m (£1.21m).

A final dividend of 1.75p makes a total of 3.25p compared with 2.5p in 1985.

There was also a transfer from the revaluation reserve of £723,000, compared with £7,000 in 1985.

● comment

In the past few years A. G. Stanley, best known for its FADS Homecare stores, had restored its image both in the high street and in the City. Despite heavy investment in new stores and an electronic point of sale system, 1986 saw profits up to expectations. The results suggest the group is firmly on an upward path. It has identified a niche in the competitive DIY market and taken advantage of it by developing own brands and exclusive lines from its wallcoverings mill. On top of this it has improved its management team, refurbished its network of retail outlets and found a knack for selling its wallcoverings in the US. This year should see pre-tax profits rise again to about £3.7m. At yesterday's closing share price of 106p this gives a prospective p/e of 11. This is a considerable discount on the market and probably does not do justice to the groups growth potential.

هكذا من الأصل

UK COMPANY NEWS

Bowthorpe Holdings lifts profits to record £28m

AS ANTICIPATED at the half-way stage, **Bowthorpe Holdings**, a manufacturer of electronic components, achieved record profits and turnover in the year ended December 31 1986. Pre-tax profits moved ahead by more than 20 per cent from £23.24m to £28m on turnover up to £145.5m (£126m).

Mr Ray Parsons, executive chairman, said that order intake and trading results for the first two months of the current year were higher than for the equivalent period in 1986.

Despite obvious areas for concern in the continuing sluggishness of the UK defence industry and the trends in the German economy, he was optimistic that the company would have yet another record year.

UK subsidiaries contributed 46 per cent of the profits, compared with 40 per cent last year, on sales of £69.6m, an increase of 18 per cent, which represented 44 per cent of total group sales.

Mr Parsons said that sales and profits during the second half of the year had substantially improved over those of the first six months as a result of the full benefit obtained from the UK acquisitions—Starpoint Electrics, Wessex Advanced Switching Products, and Protimeter—made early in 1986.

Overseas subsidiaries saw profits rise by 8 per cent and their contribution to group profits represented 48 per cent of the total compared with 54 per cent in 1985. Sales totalled £87.35m, an increase of 12 per cent, and 56 per cent of the group total.

Related companies contributed £1.79m (£1.53m) and Mr Parsons said that Bowthorpe's international spread of companies had effectively smoothed the impact of currency movements.

Tax charges totalled £11.1m (£9.42m) and earnings per share were lifted from 29.1p last time to 35.8p.

The directors proposed a final dividend of 5.42p (4.67p), making a total of 8.1p (7p) for the year. Also proposed is a two-for-one scrip issue.

● comment

In a ravaged electronics sector, Bowthorpe's recent record has been little short of outstanding and illustrates what can be done by finding the right niches and diversifying sensibly. Last year, the various currency changes balanced out to leave a net £74,000 gain; the group even managed to ride out the logjam in UK defence orders which concentrates around 30 per cent of the turnover. With £16m cash on the balance sheet, there is plenty of scope for acquired growth with instrumentation, currently only around 4-5 per cent of the group, the targeted area. But having come through the sector's problems so well, Bowthorpe might not be the biggest beneficiary of a recovery and it looks at the moment as if the currencies might not balance out quite so well this year. At 689p, up 4p yesterday, the shares have had a good run but, assuming pre-tax profits of £32m this year, look high enough on a prospective p/e of 17.

Hepworth Ceramic up to £41m

Hepworth Ceramic Holdings, manufacturers of vitrified clay, plastic pipes and refractory products, had a record year with pre-tax profits rising 22 per cent from £33.5m to £41m in the year to end December 1986.

Professor Rowland Smith, chairman, said that all of the group's major divisions maintained or improved profits. The clay, sands and refractories divisions performed excellently, and there was a significant improvement from the plastics division. The improvement owed very little to price increases, and could more appropriately be attributed to increases in efficiency, more focussed marketing and better control of working capital.

During last year a number of initiatives were taken to restructure the group and position it for future development and expansion. In particular the group had decided to withdraw from several of its North American businesses. The sale of the Western Plastics should be completed within the next few weeks and the Dickey clay pipe operation was being significantly scaled down for subsequent disposal.

Extraordinary items of £13.7m in the accounts included the write-offs from the intended withdrawal from several of the North American businesses as well as additional redundancy charges arising from the rationalisation of parts of the UK operations.

Turnover last year was slightly down from £365m to £362m, and costs and overheads fell from £330m to £319m, leaving operating profits of £43.4m (£35.7m). The share of profit less losses of related companies was £277,000 (£465,000).

Interest charges were little changed at £2.6m (same), taxation took £13.6m (£12.7m) and minorities were £413,000 (£811,000) leaving net attributable profits of £27.1m (£20.8m) and earnings per share of 17.19p (12.88p).

The dividend is raised from 7.2p to 8.28p with a proposed final of 5.18p.

● comment

These figures disappointed some but Hepworth Ceramic, which was stuck on a pre-tax profits plateau of about £34m for the three previous years, yesterday confirmed that it is on the move. For this year stronger management and better marketing will mean much improved margins throughout the group. There will also be reasonable growth in refractories, where the company's technological edge and its strong presence in foreign markets will ensure it is well positioned for the expected world-wide shakeout. Clay pipes, which provide about half pre-tax profits, will meanwhile benefit from the first price rise in three years. None of this, however, is the stuff of which dreams are made, as chief executive Sinclair Thomson is the first to admit. If the company makes £52m this year it will be on a p/e of 10.5. That would be about right if the company was judged on its organic growth potential alone. But with gearing at only around 5 per cent Hepworth is well placed for an acquisition which it can make count.

Bridon drops to £10.4m

INCLUDING THE share of results from Group Industrial Camesa, Mexico (GICSA), now sold, of £0.8m, against £5m, taxable profits of Bridon, south Yorkshire-based wire and wire rope manufacturer fell from £16.7m to £10.4m for 1986. The second half contribution amounted to £5.2m, compared with £9m.

With £3.9m (£24.3m) coming from GICSA group turnover was £21.1m down at £187.6m.

After tax of £4.3m (£5.6m) but before extraordinary debits of £2.5m against £4m—earnings per share were shown as 11.1p (20.4p) while the dividend is stepped up to 5.5p (5p) with a final payment of 4p.

Pre-tax results included the share of results of continuing related companies of £4.6m (same), was after interest charges of £2.9m (£3.4m) and included an exceptional credit of £2m (£1.3m) which consisted of pension credits £2.8m—UK £1.2m and US £1.6m—less commissioning and relocation costs, £0.8m.

There was an extraordinary debit of £2.5m (£4m) and represented the restructuring costs of activities within Bridon American Corporation, and Cookes, of New Zealand, net of the profit on disposal (£3.9m) of the group's holding in GICSA.

The directors said the restructuring would reduce the group's cost base by £4.5m in the current year, although the full-year effect would not be felt until 1988. Further cost reductions would follow, they added.

Britannic surplus up £2m to £8.6m

Britannic Assurance reported a net surplus of £8.6m (£6.6m) for the year ended December 31, 1986, with continued good performances from its industrial and ordinary branches. Last year there was also a profit on its general insurance operations after a transfer to claims equalisation reserve.

Dividends for 1986 total 35.5p (29.8p) with final payment of 24.5p. The profit transfer from the industrial branch was £4.65m (£4.03m) and from the ordinary branch, £2.73m (£2.2m); unit-linked business doubled from £50,000 to £100,000 and general branch profits amounted to £357,000 (loss of £384,000) after a transfer of £450,000 (nil) to the claims equalisation reserve.

London Park well ahead at £1.65m

London Park Hotels, which has received an agreed offer from Mount Charlotte Investments, lifted pre-tax profits by 54 per cent from £1.07m to £1.65m in 1986. Turnover, however, was lower at £7.5m, against £8.46m.

Trading in the early months of this year had been in line with expectations and with the re-opening of the Piccadilly Park this summer, the outlook was satisfactory, the company said.

Extraordinary credits were substantially higher at £2.53m (£169,000)

Earnings per 25p share were 32.32p (17.34p) and there is a second interim dividend of 6.5p for a total of 10p (same)—no final will be recommended.

Assoc. Book held back by interest charges

INTEREST charges cut into the profit growth of Associated Book Publishers in 1986.

Trading profit increased by over £1m—13 per cent—to £8.74m. But interest was paid of £655,000, against £37,000 received, so the pre-tax profit grew by only £331,000, or 4 per cent, to £8.09m.

Mr Peter Allsop, the chairman, said the group had made major investment to enhance its capability for growth. As well as securing benefits from these, it was intended to maintain the expansion of the specialist publishing throughout the group.

A geographical breakdown of the trading profit showed that in the UK publishing accounted for £4.05m (£4.13m) and bookselling £75,000 (loss £119,000); US £112,000 (loss £81,000); Australia £1.68m (£546,000); New Zealand £96,000 (£131,000); Canada £3.4m (£3.54m); administration costs £677,000 (£429,000).

By activity the breakdown was: publishing £8.32m (£8.47m); bookselling £26,000 (loss £202,000); less administration costs £772,000 (£509,000).

After tax of £3.3m (£3.45m) and minorities £694,000 (£693,000), net attributable profit came to £4.08m (£3.62m). With earnings at 17.1p (15.6p) the dividend is raised to 6p net (5.6p), the final being 3.75p.

● comment

It was bound to be a difficult year for ABP now that virtually everyone in the country has read Adrian Mole's diary and the company has been forced back on to its specialist publishing base. Once again, the company has pointed to exchange rates as a limiting factor; once again, the interim hints that the second half would provide an upturn proved unwarranted. The market for specialist publishing remains fiercely competitive — and the group's ambitions to expand further into the US (just over 4 per cent of turnover at present) might prove a fierce struggle. Despite the benefits due from rationalisation costs this year, it would be unwise, given the company's record, to expect pre-tax profits to edge up to much over £9m this time. And with gearing around 60 per cent, the shares at 296p, do not seem cheap on a prospective p/e of around 14.

UK COMPANY NEWS

Iceland Foods in £10m cash call

TO ACCELERATE its already rapid growth, Iceland Frozen Foods Holdings is raising £10.4m net by a one-for-eight rights issue at 300p per share.

This was announced yesterday with the results for the 58 weeks ended January 3 1987, which showed group turnover ahead 42 per cent to £116.49m, operating profit up 37 per cent to £5.45m, and the pre-tax balance increasing 33 per cent, from £3.83m to £5.1m.

Mr Malcolm Walker, chairman and chief executive, said in the year over £17m was invested in major projects, including £10.5m on acquiring and fitting out 27 new stores and the refitting of 11 Orchard stores, and £4m on constructing the grocery warehouse and the 1.5m cubic feet cold store.

Planned expenditure for the current year was £14m. That would push gearing above the year-end 47 per cent and, accordingly he felt it prudent to ask shareholders to raise cash.

On prospects for 1987, Mr Walker expressed confidence that the year would be excellent. Sales had been encouraging, both from existing and new stores. Some 60 per cent of frozen products was under the Iceland brand.

Earnings for the year came to 13.15p (12.23p) and the dividend is 3.75p net (3.3p), with a final of 2.5p.

The rights issue is payable in full on acceptance by April 21. Allotments letters will be posted tomorrow and dealings are expected to start next Monday.

N. M. Rothschild are the underwriters, and Hoare Govett and Charterhouse Tilney the brokers.

● comment

These were excellent figures from Iceland Frozen Foods, and enabled the company's shares to shrug off the falling market and the rights issue to close 3p up at 343p. It is hard to find fault with Iceland: the vigorous store opening programme has been accompanied by strong volume growth at existing stores (12 per cent last year), and with the rights issue helping to pay for the opening of 20-plus stores in the current year, there is every prospect of a further leap in profits to over £7m next time. The worst one can say about the record so far is that earnings have been held back by a rising tax charge, but now this is levelling out, the bottom line should reflect the achievements at the pre-tax level. Unfortunately for the punter, Iceland's virtues are too well-known to have been overlooked by the market and the prospective price/earnings multiple of 21 is the highest in the sector, beating even Sainsbury's. The rights, however, looks good value at 300p.

Acquisitions and growth push Lowe Howard profits over £7m

A YEAR of rapid growth which was "full of positive developments" saw turnover at Lowe Howard-Spink and Bell advance from £58m to £214.5m and pre-tax profit from £3.16m to £7.32m.

Mr Frank Lowe, chairman of this advertising agency group, said 1986 reflected a first full contribution from the Lowe Marschalk Worldwide network, where the international client list had grown significantly.

The two major acquisitions, Good Relations and Allen Brady and Marsh both outperformed expectations. They gained significant new business and have continued to do so in 1987.

Also the London agency continued its growth to become the eighth largest in the UK in terms of billings.

After tax £3.28m (£1.33m) and minority £27,00 (nil), net attributable profit for 1986 came to £4m (£1.83m). Earnings were 23.3p (17.1p) and the final dividend is 5.3p on increased capital for a net total of 8p (6p).

The chairman was optimistic that the current year would be one of growth. It had started well, he said.

● comment

For immediate release: Good Relations may cost more in future. Tim Bell, Lowe Howard chief executive, has already found proof for his contention that the top end of the public relations market (like UK advertising) is more sensitive to quality than to price. In one recent case, Good Relations won a trebling of fees by convincing the client that it needed dedicated attention. If the pattern is repeated, group margins should climb back from last year's level, where they were squeezed in those ever so competitive US and European markets, although not to the diizzy heights of simpler days. New York's 56 per cent tax bite lifted the group rate nearly to 45 per cent; this should fall this year closer to the 41 per cent in 1985. Opportunistic, but not impatient for acquisitions, Lowe Howard has the cash to snap up another Allen Brady and Marsh. At present, howeved, its designs are probably on a design agency. The group should go to £11m pre-tax, sending earnings per shareover 31p. With the shares 3p higher at 455p, the p/e of less than 15 looks (unlike Lowe Howard's market profile) like a bargain in the sector.

BOARD MEETINGS

TODAY

Interims: Frederick Cooper, Lucas, Molins, Really Useful, Sanderson Murray and Elder, Sheldon Jones, Thorlux Lighting.

Finals: ASD, Arlington Securities, Asset Trust, William Baird, Brake Bros., Brown Boveri Kent, W. Canning, Central Independent TV, Comcap, Croda International, Ealing Electro Optics, John I. Jacobs, Kwik-Fit Tyres, Metal Closures, P-E International, Petranol, Rotork Controls, Silkolene Lubricants, Stewart Wrightson, United Newspapers.

FUTURE DATES

Interims—

Adwest	Apr 7
Blanchards	Mar 27
Glaxo	Apr 13
Maxiprint	Mar 31
Finals—	
Amec	Apr 1
Debfor	Mar 31
Folkes Group	Apr 9
Hunting Petroleum	†Apr 8
Kleinwort Benson Gilt Fund	Apr 1
Kleinwort Benson Sterling Asset Fund	Apr 7
London and Manchester	Apr 2
Queens Moat Houses	Apr 8
Richardson Westgarth	Mar 30
Technology Project Services	Apr 13

† Amended.

Downturn at Derek Bryant

Derek Bryant (insurance brokers): Single dividend of 2p (total of 8.1p) for year ended December 31 1986. Turnover £3.09m (£3.83m) and pre-tax profits £110,000 (£1.44m). After a tax credit of £6,000 (£669,000 charged) and deducting minorities of £21,000 (£25,000) net profits were £95,000 (£741,000). Earnings per share were 3.90p (30.02p).

Record £3.5m from Bemrose

Bemrose Corporation, security printing and advertising, promotional and retail products group, continued its strong upturn in the second six months of 1986 with profits some £500,000 better than the corresponding period of the previous year at £2.8m.

For the full year to December 27, 1986 pre-tax profits emerged at a record £3.51m compared with £1.62m for 1985, the first half of which incurred losses of £728,000. The results included a contribution of £279,000 through a pension "holiday" which was expected to continue for a number of years.

Mr David Wigglesworth, the chief executive, said that with a strong performance from security printing, Bemrose had achieved the expected return to satisfactory profits in the UK. About two-thirds of group sales and profits come from the Wayzgoose factory in Derby which produces security printing, diaries and calenders and where something like 1½m personalised documents a day are turned out.

The group also has some $35m invested in the US now through the Souvenir group which had another "excellent" year in terms of dollar profits but merely the same in terms of sterling after the adverse exchange rate.

Further investment in the US in conjunction with Yattendon Investments should bring a growing return; the group is now involved in the lucrative funeral business in the US and looks to continued expansion of its US operations through organic growth and further acquisition.

In other areas of activity, Bemrose transfer printing enjoyed a good year and Mr Wigglesworth said that it was clear that the decision to diversify into the giftwrap business was proving successful.

The group continued to lead the advertising calendar market in an increasingly competitive environment and other advertising products and business gifts maintained the vigorous growth pattern of recent years. The group had made a sound start to 1987; profits would again be realised predominantly in the second half of the year.

Turnover in 1986 was £40.7m (the previous year's figure of £63m included £26m of a packaging business sold at the year-end); operating profit was £3.82m (£3.25m) and after deducting interest charges of £313,000 (£1.64m) UK and overseas tax of £907,000 (£1.08m) net profits come out at £2.6m (£608,000).

Stated earnings per share were 22.45p (5.19p) before an extraordinary credit of £89,000 (debit of £2.02m).

The dividend is increased from 5p to 9p with a proposed final of 6p (4p) a share, which jumped 31p to 290p following the announcement.

COMMODITIES AND AGRICULTURE

Drexel angry at rumours over SEC investigation

BY WILLIAM HALL IN NEW YORK

DREXEL BURNHAM Lambert, the fast-growing New York investment bank which has pioneered the growth of the so-called "junk bond" market, has confirmed that some of its competitors have been restricting the amount of commodity trading business they were doing with Drexel.

Drexel, along with several other leading Wall Street firms, has been asked to provide information for the SEC's wide ranging investigations into insider trading and takeover abuses. It reacted angrily, however, to rumours circulating in the financial markets that concerns about these investigations were prompting customers to take their commodity trading business elsewhere.

"Our commodity trading group, DBL Trading Corporation, is operating normally and very profitably. It has had azsolutely no disruption in its trading and operations," said Drexel, stressing that "the financial picture for the firm as a whole has never been healthier."

There have been reports in the US that some of Drexel's commodities customers have become nervous about Drexel's potential vulnerability to fines or legal suits in the wake of the insider trading scandal and have been moving to limit their exposure to the firm.

Drexel said "any questions raised about our financial condition are ridiculous as those few competitors, who have instituted restrictions, for whatever their motives, full well know."

It pointed out that its capital of $1.9bn was the fourth largest on Wall Street and said the firm was about to close an exceedingly profitable quarter in which its revenues and market share in trading and financing activities continued to grow from already strong positions.

Drexel, which has been subjected to a series of rumours in recent weeks, warned that "people who invent and circulate rumours about any financial institution, including Drexel Burnham Lambert, are doing a serious and grave disservice to the investing public and the market place."

Mixed reception for rubber agreement

GOVERNMENTS OF major Asian producing countries have welcomed the conclusion of a new International Natural Rubber Agreement (Inra), but growers and traders are unhappy with the development, reports Reuter from Kuala Lumpur.

Officials in Malaysia, Indonesia and Thailand, which produce the bulk of the world's rubber, said they expected the new pact to continue to stabilise prices and help their rubber industries remain viable in the long-term.

But traders and growers said they were against the new pact because its buffer stock mechanism was likely to interfere with free market forces and prevent sharp rubber price rises.

The new Inra, to replace the current one which expires on October 22, was formally adopted by most of the world's producers and consumers in Geneva last Friday.

It will be open for signature at the UN headquarters in New York from May 1 to December 31 this year and will enter into force provisionally when ratified by countries accounting for 75 per cent of world rubber exports and 75 per cent of imports.

Malaysia's Primary Industries Minister, Mr Lim Keng Yaik, said the formal adoption of a new pact had dispelled fears of liquidation of some 360,000 tonnes of Inra buffer stock rubber and a possible depression of prices.

He was confident that the new Inra would continue to keep prices stable, by selling or buying rubber as prices rose or fell, through its buffer stock system.

Malaysia was also happy that in the new Inra financing of purchses for the normal buffer stock of 400,000 tonnes and a contingency buffer stock of 150,000 tonnes would be done through direct cash contributions from members, he said.

Under the existing pact, members can borrow from banks to finance Inra's buffer stock purchases.

Sri Lanka to halt state sugar imports

SRI LANKA'S Food Department will stop importing sugar from April 1, according to senior officials of the Food and Co-operatives Ministry, reports Reuter from Colombo.

They said the decision was taken after the Sugar Importers Association asked that the sugar trade be further liberalised.

"The Food Department will cease trading in sugar and will no longer hold a buffer stock," a senior official said.

He said the Government has finalised an agreement with E. D. F. Man (Sugar), the London broker, which will hold a buffer stock of 20,000 tonnes on the Government's behalf. Up to now the Department has usually held a stock of 45,000 tonnes.

Officials said the size of the buffer stock was being reduced because the private sector would hold its own stocks.

The agreement with E. D. F. Man includes details such as trigger price mechanisms, they said.

Four months ago the Department allowed the private sector to import sugar without government clearance. The Department and the private sector each imported around 115,000 tonnes of sugar last year, when national consumption was 280,000 tonnes.

● A Japanese Agriculture Ministry survey has estimated the nation's 1986-87 crop sugar cane output at 2.14m tonnes, down from 2.62m a year earlier.

India suffers setback in black pepper exports

BY P. C. MAHANTI IN CALCUTTA

INDIA, which achieved record black pepper exports last season, has suffered a sharp setback in the first quarter of the current season. In the three months ended January, exports fell to 2,000 tonnes, compared with 9,000 tonnes in the previous quarter.

For 1985-86 as a whole, exports reached 51,000 tonnes—a fourfold increase over the previous year. This export record was helped by a sharp fall in the Brazilian and Indonesian crops, which led to a shortfall in world supplies of 25,000 tonnes.

At the same time the Indian harvest shot up to nearly 70,000 tonnes, compared with an average annual crop of 30,000 tonnes and only 25,000 tonnes in 1984-85.

The weather for the current year has not been favourable so far, and output is estimated at about 45,000 tonnes. Even so, as much as 30,000 tonnes would remain available for export after catering for domestic demand.

However, if the US and the Soviet Union do not buy as heavily on the Indian market as they did last year, the outlook for exports is unpromising. In 1985-86 the US—a big importer of pepper—took up to 20,000 tonnes as its usual supplies from Brazil dried up.

Two factors could turn foreign buyers away from India this year—the prevailing high prices and an export duty amounting to $420 per tonne.

Coal production up 7%

INDIA'S COAL production rose by about 7 per cent or 10m tonnes to an estimated 165m tonnes in 1986-87, writes P. C. Mahanti.

However, the demand for coal, which meets 75 per cent of the energy needs of Indian industry, is forecast to rise by 11.2 per cent each year during the current five-year plan, ending 1990. Already several parts of the country are complaining about shortages.

According to Coal India, which runs the nationalised coal industry, the country needs to increase coal production by 25m tonnes a year between 1987 and 1990 to meet the estimated increase in demand.

Coal demand is expected to rise even faster during the next two five-year plans running up to the turn of the century, and a suitable investment plan is being prepared to raise production.

Assistance is already being received from some of the world's major coal producing nations — the USSR, the UK, West Germany, France and Poland.

WEEKLY METALS

All prices as supplied by Metal Bulletin (last week's prices in brackets).

ANTIMONY: European free market, 99.6 per cent, $ per tonne, in warehouse, 2,320-2,350 (same).

BISMUTH: European free market, min 99.99 per cent, $ per lb, tonne lots in warehouse, 2.10-2.25 (2.10-2.30).

CADMIUM: European free market, min 99.95 per cent, $ per lb, in warehouse, ingots, 0.88-0.91 (0.88-0.92), sticks, 0.88-0.91 (0.88-0.92).

COBALT: European free market, 99.5 per cent, $ per lb, in warehouse, 6.00-6.15 (6.05-6.15).

MERCURY: European free market, min 99.99 per cent, $ per flask, in warehouse, 205-215 (200-210).

MOLYBDENUM: European free market, drummed molybdic oxide, $ per lb Mo, in warehouse, 3.07-3.10 (3.10-3.15).

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse, 4.50-5.00 (4.35-4.95).

TUNGSTEN ORE: European free market, standard min 65 per cent, $ per tonne unit WO_3, cif, 47-52 (46-50).

VANADIUM: European Free market, min 98 per cent V_2O_5, other sources, $ per lb V_2O_5, cif, 2.52-2.55 (2.48-2.55).

URANIUM: Nuexco exchange value, $ per lb U_3O_8, 16.75 (same).

Canada to resume seal hunting

BY BERNARD SIMON IN TORONTO

THE CANADIAN Government has approved the first offshore seal hunt since the market for seal products collapsed five years ago in the face of widespread international condemnation.

Two Canadian companies, one based in Halifax and the other in St John's Newfoundland, are preparing to send ships to ice floes off the Labrador coast where female harp seals congregate inthe spring to give birth.

But radical conservation groups have threatened to disrupt the hunt and to renew pressure for an international boybott of Canadian fish products. An official of the Canadian Sealers Association said that he would have preferred the Government to withhold permission for a hunt until a cull of the burgeoning seal population was needed.

In an effort to dampen protests, the fisheries department in Ottawa has stipulated that only adult seals may be killed, and that hunters must use rifles. The earlier outcry was fuelled by widely published pictures of hunters clubbing wide-eyed pups, known as whitecoats to death. Pups lose their white coats within a month of birth.

The European Community responded to the protests three years ago by banning imports of white-skinned pelts. One major British supermarket chain bowed to anti-sealing protests by boycotting Canadian fish products.

The Canadian authorities have set a quota for this year's hunt of 57,000 seals. Two fishery officers will be assigned to each vessel to ensure that the rules are obeyed.

The approval of a controlled hunt is in line with recommendations made last December after a two-year judicial inquiry into the seal industry. While supporting a ban on the hunting of whitecoat and blueback seal pups, the commission noted that sealing brings important social, cultural and nutritional benefits to many rural communities in eastern and northern Canada.

The Government has also agreed to provide C$5m (£2.4m) over the next four years to help find new markets for seal products.

While pups were killed only for their pelts and blubber, virtually all parts of the adult seals are processed. They provide meat for many local inhabitants (the flippers are a delicacy for Newfoundlanders) and their stomachs are used for making cheese.

Corn syrup set to enter the futures fray

BY DAVID OWEN IN CHICAGO

THE MINNEAPOLIS Grain Exchange, the smallest and most obscure of the US futures markets, will emerge blinking into the spotlight on April 6, when it launches the world's first futures contract in high fructose corn syrup (HFCS) — an increasingly popular liquid sweetener.

The contract calls for the delivery of HFCS 55, the grade closest to sugar in its level of sweetness and the one principally consumed by the soft drinks sector, the industry's major end-user. The unit of trade will be 48,000 lb, or one tank truck. Trading hours will be 9 am — 1.15 pm central time.

Like gluten and corn oil HFCS is a by-product of the corn (maize) wet milling process. It consists of fructose, water, dextrose and higher saccharides in varying proportions.

Output of the product, which was first developed in the 1960s, has expanded dramatically since the mid-1970s, ironically enough, under the umbrella provided by the protected domestic market for sugar — its principal competitor. The guarantee of high US sugar prices has ensured the necessary cost margin for HFCS to be sold at a level conducive to profits for producers and savings for sweetener consumers. As a result, per capita consumption of HFCS as a percentage of total US calorific sweetener consumption rose from 9.6 per cent in 1978 to 30.4 per cent seven years later.

But the current domestic market structure not only ensures high sugar prices. It ensures relatively stable ones too. The differential between HFCS 55 and sugar is by no means constant, however. Sugar's premium varied from 17 to 35 per cent between 1980 and 1985. Some analysts argue that the strictly limited fluctuation of the domestic sugar market has had a stabilising effect on HFCS prices, and this could augur badly for a futures contract heavily dependent on underlying cash market volatility.

Not surprisingly, this view is disputed by exchange officials. They argue that the HFCS market, which last year switched from annual to quarterly pricing, is now volatile and independent enough to support a futures contract.

"The high fructose market has very little if anything to do with the domestic sugar price," maintains Mr Rich Rhodie, the exchange's economist. "If it did people would hedge with the Coffee, Sugar and Cocoa Exchange's domestic sugar futures," he adds.

The New York-based CSCE itself considered introducing HFCS futures in the early 1980s, as a logical extension of its sugar markets. After comprehensive studies it decided not to pursue the matter further. It is not saying why.

Mr Rhodie is equally dismissive of suggestions that the Reagan Administration's renewed threats to try to reduce domestic sugar prices might harm the longer-term prospects of the MGE's new progeny by eradicating the cost advantage which has been the key to HFCS's success, and hence perhaps precipitating the industry's decline.

"It wouldn't worry us in the least," he says. "The wet millers would never have invested in phenomenally high cost facilities if there was a question of them being wiped out."

By the same token, as Ms Bonnie Cook, a Salomon Brothers analyst points out, the soft drinks industry is unlikely to dessert HFCS overnight, regardless of comparative prices, because of the high level of capital investment which was required to effect the switch from sugar in the first place.

Th exchange says that the response from potential industry participants has been "very good," particularly in the important soft drinks bottling sector. "We intend to be participants if it is in our interests," says Mr David Satterfield, a vice-president with Staley Continental, a major HFCS producer.

The century-old exchange, which has a rather uneven track record in the field of new contract launches, is badly in need of the sort of boost which a successful new product might provide.

The volume traded on the exchange's three existing futures and options (hard red spring wheat futures and options, and soft white wheat futures) has declined from 1983 peaks.

have already benefited from the decision to trade HFCS 55 futures in one respect. Between May and December 1986, the price of an exchange seat surged from as low as $2,700 to $9,000.

The US Department of Agriculture (USDA) expects Americans to consume more corn syrup than sugar per head in 1987 for the third year in a row, reports AP-DJ from Washington.

In 1975 they were, on average, consuming 89.2 lbs each of sugar and only 27.5 lbs of corn sweeteners.

But that was made up mostly of glucose and dextrose, high fructose corn syrup had yet to make its presence felt. By 1985 US per capita sugar consumption had fallen to 63.3 lbs and had been overtaken by that for corn sweeteners, at 66.5 lbs, the USDA figures show. Of that total HFCS accounted for 45 lbs with glucose at 18 lbs and dextrose at 3.5 lbs.

The USDA estimates that total US corn sweetener consumption advanced another 2 per cent in 1986 to a record 8.1m tonnes, of which 5.58m tonnes was HFCS. For 1987 it projects that HFCS usage will make further progress to 5.65m tonnes, partly at the expense of sugar and partly because of population and income growth.

LONDON MARKETS

COCOA futures prices continued their cautious rally yesterday with the May position adding £7 to Tuesday's £8.50 rise. Dealers said the rise would have been greater but for trade selling, which they thought reflected hedging against West African sales. Bullish influences in the market were sterling's fall against the dollar and growing optimism about the outcome of the present round of talks at the International Cocoa Organisation, where delegates are trying to agree rules for buffer stock operations. At the London Metal Exchange prices closed generally lower, with copper and aluminium, the stars of yesterday's general rise, showing the biggest falls. Cash Grade A copper lost all but £1 of Tuesday's £17.50 rise as concern about an approaching supply squeeze eased. The three months position was down only £5.50 a tonne. Cash aluminium's £7 fall to £841 a tonne was attributed to technically based liquidation sales following Tuesday's £17.50 rise.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	840-2	−7	—
3 months	794-5	−4.25	799/795

Official closing (am): Cash 845-6 (837-8), three months 794-5 (792-2.5), settlement 846 (838). Final Kerb close: 792-3. Turnover: 10,400 tonnes.

COPPER

Grade A	Unoffic'l close £ per tonne	+ or −	High/Low
Cash	926-7	−18.5	931/927
3 months	896.5-7	−5.5	901/897

Official closing (am): Cash 930-30.5 (935-6), three months 899-900 (896-7), settlement 930.5 (936). Final Kerb close: 897-7.5.

Standard			
Cash	860-5	−3	863/862
3 months	870-5	−3	874

Official closing (am): Cash 862-4 (860-5), three months 873-5 (870-5), settlement 864 (865). US Producer prices 67-71.5 cents a pound. Total Turnover: 24,850 tonnes.

LEAD

Official closing (am): Cash 309-10 (303.5-4), three months 298.25-9.5 (297-7.5), settlement 310 (304). Final Kerb close: 301-2. Turnover: 8,175 tonnes. US Spot: 24-27 cents a pound.

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	309-11	+5.25	—
3 months	301.5-2	+4.13	301.5/298

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	2370-5	+5	—
3 months	2347-50	+5	2348/2344

Official closing (am): Cash 2,310-15 (2,302-4), three months 2,333-4 (2,330-1), settlement 2,315 (2,304). Final Kerb close: 2,345-55. Turnover: 972 tonnes.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	448-9	−4	446.5/445.5
3 months	448.5-9	−1.75	452/448.5

Official closing (am): Cash 445-5.5 (447-7.5), three months 446.5-7 (445-6), settlement 445.5 (447.5). Final Kerb close: 449-9.5. Turnover: 3,825 tonnes. US Prime Western: 37.5-44 cents per pound.

TIN

KUALA LUMPUR TIN MARKET—Close: 16.66 (16.70) ringgit per kg. Down 0.04.

GOLD

Gold rose $5 to $413½-414 on the London bullion market yesterday. It opened at $412-412½ and was fixed at $415.00 in the morning and $413.70 in the afternoon. The opening was the day's low and the metal touched a peak of $415¼-415¾. The advance in the morning ws aset back after New York opened, and after the surge in silver fell back before the $5 level.

GOLD BULLION (fine ounce)	Mar. 25	
Close	$413½-414	(£257-257½)
Opening	$412-412½	(£255½-256)
M'n'g fix	$415.00	(£256.988)
Aft'n'n fix	$413.70	(£257.484)

GOLD AND PLATINUM COINS		
Am Eagle	$425-430	(£264½-267½)
Mapleleaf	$427½-430½	(£266-268)
Kr'g'r'nd	$416½-419½	(£259¼-261)
½ Krug	$217-218	(£135-135¾)
¼ Krug	$110½-111½	(£68¾-69¼)
Angel	$425½-426½	(£263½-265½)
1/10 Angel	$42½-47½	(£26½-29½)
New Sov	$98½-99½	(£61¼-62)
Old Sov	$99-100½	(£61¾-62½)
$ 20 Eagle	$500-550	(£311¼-342¼)
Noble Plat	$558-565	(£347¼-351¼)

SILVER

Silver was fixed 14p an ounce higher for spot delivery in the London bullion market yesterday at 366.65p. US cent equivalents of the fixing levels were: spot 591.25c, up 20.1c; three-month 601.15c, up 20.65c; six-month 610.25c, up 20.5c; and 12-month 628.0c, up 21.25c. The metal opened at 364-366p (587½-589½c) and closed at 366-368p (589-591c).

SILVER per troy oz	Bullion Fixing Price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	366.65p	+14.0	367p	+14
3 months	375.65p	+14.5	374p	+15
6 months	383.65p	+14.6	—	—
12 months	399.70p	+16.5	—	—

LME—Turnover: 6 (1) lots of 10,000 ounces.

Three months high/low 374p, final kerb 373.5-4.5p.

FREIGHT FUTURES

The market opened unchanged but selling saw a dramatic fall with a loss of 40 points on July. The BFI was announced 21 points higher at 990 and the afternoon session changed course, making up half the losses of the morning, before a small sell-off occurred towards the close, reports Clarkson Wolff.

	Close	High/Low	Prev.
Dry Cargo			
April	1029/030	1040/1000	1020
July	885	930/880	922/925
Oct.	945/950	990/950	992/1000
Jan.	946/950	975/948	960
Apr.	970/990	975/970	960/990
July	820/840	—	840
Oct.	910	—	910
Jan.	900	—	860
BFI.	959	—	960

Turnover: 1,008 (1,040).

INDICES

REUTERS

Mar. 25	Mar. 24	M'th ago	Year ago
1626.9	1583.9	1588.5	1807.9

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Mar. 24	Mar. 23	M'th ago	Year ago
Spot	115.06	114.19	—	131.68
Fut	115.15	114.57	—	131.23

(Base: September 18 1931=100)

MAIN PRICE CHANGES

	Mar. 25 1987	+ or −	Month ago
METALS			
Aluminium			
Free Market	$1280/410	+20	$1280/410
Copper			
Cash Grade A	£926.5	−18.5	£917.5
3 mths	£896.75	−5.5	£925.75
Gold Troy oz	$413.75	+5	$405.75
Lead Cash	£310	+5.25	£298.5
3 mths	£301.75	+4.13	£299.75
Nickel			
Free Mkt	169/189c		174/194c
Palladium oz	$126.75	+0.75	$119.00
Platinum oz	$540.75	+10.75	$529.50
Quicksilver†	$205/215		$175/185
Silver troy oz	366.65p	+14	357.20p
3 mths	375.65p	+14.55	366.70p
Tin			
free Mkt	$4250/280	+25	$4300/410
Tungsten	$47.08		$44.61
Wolfram 22.0lb	$47/52		$39/46
Zinc	£448.5	−4	£486.5
3 mths	£448.75	−1.75	£478.5
producers	$770/790		$770/790
OILS			
Coconut (Phil)	$365x		$410
Palm Malayan	$330y		$310
Seeds			
Copra (Phil)	$240v		$260
Soyabean (U.S.)	$134.5	+1	$138
GRAINS			
Barley Fut. Sept	£99.85	+0.40	£116.10
Maize	£142.50		£143.50
Wheat Fut. July	£122.15	+0.35	£118.50
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. May	£1391.5	+7	£1327.5
Coffee Ft. May	£1,282.5	−24	£1636.5
Cotton A Ind.*	63.30c	−0.55	65.75c
Gas Oil May	$146	+0.5	$131.75
Rubber (kilo)	60p	−0.5	61.5p
Sugar (raw)	$182x	−9.5	$184
Wooltops 64s	449p kilo		422p kilo

‡ Unquoted. † Per 75-lb flask. c Cents a pound. * Cotton outlook. v April. z March-April. x April-May. y May.

SOYABEAN MEAL

	Y'sterd'ys close £ per tonne	+ or −	Business done
June	114.0-114.5	+0.75	115.0
August	108.5-108.9	+0.45	—
October	108.5-110.0	+0.75	109.5
Dec.	111.8-112.5	+0.65	—
Feb.	115.0-116.0	—	—
April	116.0-117.0	−0.50	118.5

Sales: 295 (1) lots of 20 tonnes.

COFFEE

During a disappointing day the market was uninterested in breaking the recent range, reports Drexel Burnham Lambert. With poor volume and a narrow range, a lack of physical interest from origins or industry kept action limited.

COFFEE	Yesterday close	+ or −	Business Done
Mar.	1265-1275	−17.5	1278-1262
May	1280-1285	−24.0	1295-1275
July	1298-1300	−13.5	1310-1288
Sept.	1315-1317	−22.5	1329-1310
Nov.	1342-1344	−25.5	1355-1340
Jan.	1365-1369	−19.0	1380-1365
Mar.	1385-1389	−21.0	1400-1385

Sales: 2,254 (2,230) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for March 24: Comp daily 1979 101.85 (101.17); 15-day average 100.27 (100.24).

COCOA

In active trading conditions futures rose during the morning but eased slightly aproaching the close, reports Gill and Duffus.

	Yesterday's close £ per tonne	+ or −	Business done
March	1365-1374	−3.5	1375-1360
May	1391-1392	+7.0	1397-1388
July	1318-1319	+7.0	1426-1318
Sept.	1340-1341	+5.5	1347-1339
Dec.	1369-1370	+6.0	1374-1366
March	1393-1394	+6.0	1398-1393
May	1413-1414	+5.0	1416-1415

Sales: 4,183 (2,118) lots of 10 tonnes.

ICCO indicator prices (SDRs per tonne). Daily price for March 25: 1,578.06 (1,571.02); 10-day average for March 26: 1,584.00 (1,586.88).

POTATOES

After initial uncertainty and consequent quiet trade, buying interest emerged and prices rose sharply to register gains of up to £4.00 by lunch. Afternoon business again started nervously, but again buyers led the way to leave closing levels at the day's highs with tone firm, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Apr.	165.40	156.20	165.40-158.70
May	184.80	179.70	185.00-180.90
Nov.	94.00	93.80	95.00-94.00
Feb.	103.50	103.00	—
Apr.	127.80	125.30	128.00-127.50

Sales: 1,267 (690) lots of 40 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $182.00 (£113.00), down $9.50 (down £5.00) a tonne for April-May delivery. White sugar $199.00, down $6.00.

Reports that Turkey had purchased 10 cargoes, India two cargoes and that China had invited offers overnight rallied the market after Tuesdays commission house sell-off, reports C. Czarnikow.

No. 6 Contract	Y'sterd'ys close	Previous close	Business done
	$ per tonne		
May	161.8-162.8	158.2-159.4	165.4-158.8
Aug	165.4-165.8	165.4-165.8	167.2-162.8
Oct	168.8-169.3	166.8-166.6	169.9-166.8
Dec	171.8-171.9	169.8-170.8	172.8-170.8
Mar	176.0-176.2	175.0-175.6	177.4-174.6
May	177.8-179.2	176.8-177.8	169.8-187.8
Aug	181.0-182.8	178.0-180.2	—

PARIS—(FFr per tonne): May 1208-1211, Aug 1232-1240, Oct 1262-1269, Dec 1288-1299, March 1311-1328, May 1340-1365.

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 95.54p per kg lw (+0.86). GB—Sheep 208.81p per kg est dcw (+7.17). GB Pigs 79.64p per kg lw (−1.32).

FUTURES—Live cattle: June 98.30. Sales: 1. Pigs: April 99.40, Aug 95.00. Sales: 13.

RUBBER

PHYSICALS — The London market opened about unchanged, attracted little interest throughout the day and closed neglected, reports Lewis and Peat. Closing prices (buyers): Spot 60.00p (60.50p); May 60.75p (61.25p); June 60.25p. Kuala Lumpur fob prices (Malaysian cents a kilo): RSS No 1 228.0 (228.5), SMR 20 193.0 (same).

FUTURES—Index 586, April 650-660, April/June 656-666, July/Sept 859-869. Sales: Nil.

US MARKETS

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COCOA 10 tonnes, $/tonnes

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COFFEE "C" 37,500 lbs, cents/lb

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPPER 25,000 lb, cents/lb

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COTTON 50,000 lb, cents/lb

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

GOLD 100 troy oz, $/troy oz

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HEATING OIL 42,000 US gallons, cents/US gallons

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ORANGE JUICE 15,000 lb, cents/lb

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PLATINUM 50 troy oz, $/troy oz

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SPOT PRICES—Chicago loose lard 15.00 (same) cents per pound. Handy and Harman silver bullion 590.0 (569.0) cents per troy ounce. New York tin 314-6 (316-7) cents per pound.

SILVER 5,000 troy oz, cents/troy oz

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LIVE HOGS 30,000 lbs, cents/lb

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PORK BELLIES 38,000 lbs, cents/lb

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN MEAL 100 tons, $/ton

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	Prev	High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

GRAINS

Old crop wheat was very strong, breaking new contract highs on aggressive commission house and trade buying. Barley followed wheat's strength on wheat/barley switching. New crops were firm on export demand, reports T. G. Roddick.

	WHEAT		BARLEY	
Mnth	Yesterday's close	+ or −	Yest'rdy's close	+ or −
	£ per tonne		£ per tonne	
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sep.	[illegible]	[illegible]	[illegible]	[illegible]
Nov.	[illegible]	[illegible]	[illegible]	[illegible]
Jan.	[illegible]	[illegible]	[illegible]	[illegible]
Mar.	[illegible]	[illegible]	[illegible]	[illegible]

LONDON GRAINS—Wheat: US Dark Northern Spring No 1, 15 per cent: April/May [illegible]. [illegible]

[illegible] (Crude oil — FOB)

	Latest	Change + or −
[illegible]	[illegible]	[illegible]

PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)

[illegible]	[illegible]	[illegible]

HEAVY FUEL OIL

Month	Yesterday's close	+ or −	Business Done
	US $ per tonne		
[illegible]	[illegible]	[illegible]	[illegible]

Turnover: 0 lots of 100 tonnes.

GAS OIL FUTURES

Month	Yest'rdy's close	+ or −	Business Done
	US $ per tonne		
[illegible]	[illegible]	[illegible]	[illegible]

Turnover: 3,075 (2,174) lots of 100 tonnes.

OIL

Brent traded fairly actively between $17.88 and $17.80 for May. The premium for April over May widened further to 5c. May WTI opened 5c down on Nymex and traded 12c down at 1.30 pm EST. In the petroleum products market gas oil was stable with fairly active physical trade. Naphtha, gasoline and fuel oil were quiet.—Petroleum Argus, London.

هكذا من الأصل

CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

Caution follows intervention

THE DOLLAR closed around the middle of the day's range, after dealers took a cautious view of reported intervention by central banks to support the dollar against the yen.

In the early afternoon dealers noted the West German Bundesbank buying dollars against the yen, following earlier suggestions the Bank of England was supporting the dollar.

Before the European opening the Bank of Japan intervened steadily in Tokyo, but failed to push the dollar back above Y150.

In Washington Mr Manuel Johnson, vice-chairman of the Federal Reserve Board, said action by the Federal Reserve on Tuesday was taken in the spirit of the Paris accord and was meant to stabilise the dollar around current levels.

In spite of the intervention the dollar fell to a record closing low of Y149.10in London, from Y149.25, as dealers continued to believe the trade tension between the US and Japan, and the very large US trade deficit, would lead to a steady decline in the value of the US currency.

On the other hand the dollar improved to DM 1.8265 from DM 1.8215; to FFr 6.0750 from FFr 6.0650; and to SFr 1.5240 from SFr 1.5220.

On Bank of England figures the dollar's index rose to 102.5 from 102.4.

STERLING—Trading range against the dollar in 1986-87 is 1.6175 to 1.3780. February average 1.5274. Exchange rate index fell 0.1 to 72.1.

Sterling had a slightly softer tone after signs that central banks were co-ordinating foreign exchange intervention to support the dollar. Oil prices were firm and although a cut in UK bank base rates was still expected, dealers generally felt the authorities would prefer to wait for market reaction to today's UK trade figures before making a decision.

The pound fell 45 points to $1.6065-1.6075, and also declined to FFr 9.7625 from FFr 9.7725; to SFr 2.4500 from SFr 2.4525; and to Y239.50 from Y240.50, but was unchanged at DM 2.9350.

D-MARK—Trading range against the dollar in 1986-87 is 2.4710 to 1.7870. February average 1.8234. Exchange rate index 147.9 against 148.3 six months ago.

The D-Mark traded quietly, as dealers regarded the dollar's value against the Japanese yen as the main test of the central banks' resolve to implement last month's Paris currency agreement. It was noted that support for the dollar came from the Bank of Japan, Bank of England and the US Federal Reserve, until the West German Bundesbank became involved in assisting the dollar against the yen in the afternoon.

The Bundesbank did not intervene when the dollar rose to DM 1.8243 from DM 1.8116 at the Franfurt fixing, but later in the day it was reported the Bundesbank bought dollars in an attempt to hold the US currency above Y149.

JAPANESE YEN—Trading range against the dollar in 1986-87 is 202.70 to 149.10. February average 153.36. Exchange rate index 214.3 against 217.2 six months ago.

The yen was little changed against the dollar in Tokyo yesterday, in spite of intervention by the Bank of Japan, aimed at pushing the US currency back above Y150. The central bank intervened aggressively throughout the day, but met selling pressure at Y150. The dollar closed at Y149.35, compared with Y148.80 on Tuesday. Mr Satoshi Sumita, Governor of the Bank of Japan, said he had no intention of lowering Japan's discount rate, but this had no impact. It was reported that the major Japanese trading houses and exporters have been asked by the government to moderate dollar sales.

£ IN NEW YORK

Mar 25	Latest	Previous Close
£ Spot	1.6065-1.6075	1.6105-1.6115
1 month	0.50-0.47 pm	0.50-0.47 pm
3 months	1.23-1.19 pm	1.23-1.19 pm
12 months	3.90-3.80 pm	3.90-3.80 pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

	Mar. 25	Previous
8.30 am	72.4	72.3
9.00 am	72.4	72.4
10.00 am	72.4	72.4
11.00 am	72.4	72.4
Noon	72.3	72.4
1.00 pm	72.3	72.4
2.00 pm	72.2	72.4
3.00 pm	72.1	72.2
4.00 pm	72.1	72.2

CURRENCY RATES

Mar. 25	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	N/A	0.706771
U.S. Dollar	5.5	N/A	1.13992
Canadian $	7.54	*	1.49102
Austrian Sch.	4	N/A	14.5958
Belgian Franc	8	N/A	43.0234
Danish Krone	7	N/A	7.81286
Deutsche Mark	3.0	N/A	2.07697
Neth. Guilder	4½	N/A	2.34596
French Franc	9½	N/A	6.91166
Italian Lira	12	N/A	1478.83
Japanese Yen	2½	N/A	169.382
Norway Krone	8	N/A	7.82767
Spanish Peseta	—	N/A	146.231
Swedish Krona	7½	N/A	7.26586
Swiss Franc	3.5	N/A	1.73233
Greek Drach.	20½	N/A	152.440
Irish Punt	—	N/A	0.777159

*C$/SDR rate for Mar. 24; 1.67537

CURRENCY MOVEMENTS

March 25	Bank of England Index	Morgan Guaranty Changes %
Sterling	72.1	−21.6
U.S. Dollar	102.5	−4.8
Canadian Dollar	79.3	−9.1
Austrian Schilling	137.9	+10.2
Belgian Franc	100.2	−4.3
Danish Krone	93.3	+8.8
Deutsche Mark	147.0	+21.6
Swiss Franc	171.7	+21.9
Guilder	134.6	+14.1
French Franc	71.8	−12.6
Lira	48.1	−16.8
Yen	214.3	+60.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base average 1975=100).

OTHER CURRENCIES

[illegible]

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu March 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.0234	+1.33	+0.88	±1.5344
Danish Krone	7.85212	7.81286	−0.50	−0.95	±1.6404
German D-Mark	2.05853	2.07697	+0.89	+0.44	±1.0981
French Franc	6.90403	6.91166	+0.11	−0.34	±1.3674
Dutch Guilder	2.31943	2.34596	+1.14	+0.70	±1.5012
Irish Punt	0.768411	0.777159	+1.14	+0.70	±1.6684
Italian Lira	1483.58	1478.83	−0.32	−0.32	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST THE POUND

Mar. 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6040-1.6155	1.6065-1.6075	0.48-0.45 c pm	3.47	1.28-1.23 pm	3.12
Canada	2.1028-2.1116	2.1065-2.1075	0.59-0.49 c pm	3.08	1.48-1.32 pm	2.66
Neth'lands	3.30¼-3.33	3.31-3.32	1⅜-1¼ c pm	4.52	3⅝-3¼ pm	4.15
Belgium	60.70-61.05	60.80-60.90	17-10 c pm	2.66	41-30 pm	2.33
Denmark	11.02¼-11.08½	11.03-11.04	½-1⅛ ore dis	−0.88	2¼-3½ dis	−0.78
Ireland	1.0965-1.1035	1.0975-1.0985	0.25-0.40 p dis	−3.76	0.85-1.20 dis	−3.95
W. Germany	2.93-2.94¼	2.93-2.94	1½-1⅜ pf pm	5.88	4¼-4 pm	5.62
Portugal	225.64-227.43	225.65-226.60	62-148 c dis	−5.58	259-380 dis	−5.66
Spain	206.37-206.98	206.40-206.70	98-130 c dis	−6.62	260-317 dis	—
Italy	2087-2098¼	2087-2088	1 pm-1 lire dis	—	1pm-1 dis	—
Norway	11.03¾-11.11¼	11.04¾-11.05¾	3¾-4¼ore dis	−4.28	13⅝-14⅝dis	−5.07
France	9.75-9.81¼	9.75¼-9.76¼	1⅝-1¼c pm	1.84	3⅝-3⅛ pm	1.38
Sweden	10.22¼-10.28¼	10.23¼-10.24¼	1¼-1⅝ore dis	−0.95	3½-4⅛ dis	−1.49
Japan	239-241¼	239-240	1¼-1⅛ y pm	5.95	3⅝-3¼ pm	5.53
Austria	20.61-20.71	20.61-20.64	10¼-9 gro pm	5.60	27-24⅝ pm	5.01
Switzerland	2.44½-2.46¼	2.44½-2.45½	1¼-1⅛ c pm	5.82	3⅝-3⅛ pm	5.71

Belgian rate is for convertible francs. Financial franc 61.00-61.20. Six-month forward dollar 2.26-2.21 c pm 12-month 4.02-3.92 c pm.

DOLLAR SPOT—FORWARD AGAINST THE DOLLAR

Mar. 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6040-1.6156	1.6065-1.6075	0.48-0.45c pm	3.47	1.28-1.23pm	3.12
Ireland†	1.4600-1.4658	1.4635-1.4645	0.98-0.93c pm	7.84	2.63-2.45 pm	6.95
Canada	1.3072-1.3135	1.3105-1.3115	0.03-0.06c dis	−0.41	0.11-0.15 dis	−0.40
Netherlands	2.0570-2.0665	2.0620-2.0630	0.20-0.17c pm	1.08	0.59-0.54pm	1.10
Belgium	37.70-37.90	37.80-37.90	1-4c dis	−0.79	4-9 dis	−0.69
Denmark	6.85¼-6.88¼	6.86½-6.87	2.00-2.70ore dis	4.11	6.60-7.30 dis	−4.05
W. Germany	1.8215-1.8300	1.8260-1.8270	0.41-0.38pf pm	2.60	1.19-1.14 pm	2.56
Portugal	140½-141¼	140¾-141	80-130c dis	−8.95	270-340 dis	−8.67
Spain	128.03-128.77	128.50-128.60	98-108c dis	−9.64	280-300 dis	−9.05
Italy	1296-1305	1298¾-1299¼	3½-4lire dis	−3.47	9-11 dis	−3.08
Norway	6.86¾-6.88¾	6.87½-6.88	4.20-4.70ore dis	−7.76	13.80-14.30dis	−8.17
France	6.06-6.09	6.07¼-6.07¾	0.70-0.85c dis	−1.53	2.42-2.67 dis	−1.68
Sweden	6.36-6.37¼	6.36¾-6.37¼	2.60-2.90ore dis	−5.18	7.10-7.50dis	−4.59
Japan	148.45-149.50	149.05-149.15	0.32-0.28y pm	2.42	0.94-0.89 pm	2.46
Austria	12.80½-12.85½	12.84-12.84½	2.60-2.10gro pm	2.20	6.75-5.75 pm	1.95
Switzerland	1.5195-1.5285	1.5235-1.5245	0.35-0.30 pm	2.56	1.04-0.99 pm	2.67

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 37.95-38.05.

EURO-CURRENCY INTEREST RATES

Mar. 25	Short term	7 Days' notice	One Month	Three Months	Six Months	One Year
Sterling	9¾-10	9⅞-10⅛	9⅞-10	9⅝-9¾	9⅜-9½	9¼-9⅜
U.S. Dollar	6⅛-6⅜	6⅞-7	6⅜-6½	6⅜-6½	6⅜-6½	6½-6⅝
Can. Dollar	6⅝-6⅞	6¾-6⅞	6⅝-6¾	6¾-6⅞	6¾-6⅞	6⅞-7
D. Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sw. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschemark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fr. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B. Fr. (Fin.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B. Fr. (Con.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asian $ (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Long-term Eurodollars: Two years [illegible] per cent; three years [illegible] per cent; four years [illegible] per cent; five years [illegible] per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

[illegible]

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

FINANCIAL FUTURES

Gilts ease a little

GILT PRICES finished slightly weaker in the London International Financial Futures Exchange yesterday. The June price opened at 126-01 up from 129-19 and touched a high of 126-11 but failed to sustain this level and eased back to finish at 125-15.

A stronger pound helped early sentiment but buying soon dried up later in the day and values were marked down as a result. There was also a good deal of uncertainty caused by the recent strong upward push on prices.

Speculators were beginning to show unease about whether the pace of gilt rises was sustainable and if so for how long.

The lack of sustained momentum probably slowed down the level of overseas demand seen just recently. The late recovery reflected a little short covering which was helped to some extent by a partial recovery by sterling. In addition there was a little bargain hunting at the lower levels.

However, most traders were content to hold fairly square positions ahead of today's UK trade figures. The size of the expected deficit is likely to have a considerable influence on trading.

US contracts remained lacklustre with three-month Euro-dollar deposits for June delivery opening at 93.45, unchanged from Tuesday and trading in a 14 tick range before closing at 93.48.

US Treasury bonds opened at 100-01 for June delivery and touched a low of 99-31 before closing at the day's high of 100-07 compared with 100-03 on Tuesday.

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls—Last June	Calls—Last Sept	Puts—Last June	Puts—Last Sept
112	13.30	13.34	0.00	0.12
114	11.31	11.43	0.01	0.21
116	9.34	9.58	0.04	0.36
118	7.41	8.16	0.11	0.58
120	5.59	6.46	0.29	1.24
122	4.19	5.23	0.53	2.01
124	2.59	4.11	1.29	2.53
126	1.58	3.11	2.28	3.53

Estimated volume total, Calls 1,431 Puts 623
Previous day's open int: Calls 20,887 Puts 12,150

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls—Last June	Calls—Last Sept	Puts—Last June	Puts—Last Sept
92	8.14	7.29	0.00	0.19
94	6.15	5.49	0.01	0.39
96	4.18	4.16	0.04	1.06
98	2.34	3.00	0.20	1.54
100	1.13	2.00	0.63	2.54
102	0.28	1.17	2.14	4.07
104	0.07	0.48	3.57	5.38
106	0.01	0.27	5.51	7.17

Estimated volume total, Calls 25 Puts 46
Previous day's open int: Calls 250 Puts 259

LIFFE FT-SE 100 INDEX FUTURES OPTIONS

Strike Price	Calls-Last Apr	Calls-Last May	Puts-Last Apr	Puts-Last May
19000	20.56	—	0.06	—
19250	18.12	18.60	0.12	0.60
19500	15.73	16.39	0.23	0.89
19750	13.42	14.29	0.42	1.29
20000	11.22	12.31	0.72	1.81
20250	9.18	10.47	1.18	2.47
20500	7.32	8.79	1.82	3.29
20750	5.68	7.28	2.68	4.28

Estimated volume total, Calls 2 Puts 1
Previous day's open int: Calls 188 Puts 187

LIFFE £/$ OPTIONS

£25,000 (cents per £1)

[illegible]

LONDON SE £/$ OPTIONS

£12,500 (cents per £1)

[illegible]

PHILADELPHIA SE £/$ OPTIONS

£12,500 (cents per £1)

[illegible]

LIFFE—EURODOLLAR OPTIONS

$1m points of 100%

[illegible]

LONDON

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

[illegible]

10% NOTIONAL SHORT GILT £100,000 64ths of 100%

[illegible]

THREE-MONTH STERLING £500,000 points of 100%

[illegible]

FT-SE 100 INDEX £25 per full index point

[illegible]

THREE-MONTH EURODOLLAR $1m points of 100%

[illegible]

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

[illegible]

CURRENCY FUTURES

[illegible]

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

[illegible]

U.S. TREASURY BILLS (IMM) $1m points of 100%

[illegible]

SWISS FRANC (IMM) SFr 125,000 $ per SFr

[illegible]

JAPANESE YEN (IMM) Y12.5m $ per Y100

[illegible]

DEUTSCHE MARK (IMM) DM125,000 $ per DM

[illegible]

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

[illegible]

STANDARD & POORS 500 INDEX $500 times index

[illegible]

MONEY MARKETS

Rates steady ahead of trade figures

INTEREST RATES showed little overall change in the London money market yesterday. Trading was relatively subdued in comparison to the recent downward push on interest rates. Traders were unsure about the timing of another cut in clearing bank base rates and although rates already discounted a half point cut with three-month interbank money at 9⅝-9⅞ per cent compared with 9¾-9⅝ per cent, there was some hesitation because the Bank of England was keen to cool market euphoria while the main pedestal of market thinking took a bit of a bashing as the pound showed a slightly weaker trend.

UK clearing bank base lending rate 10 per cent since March 18-19

Overnight interbank money traded between a high of 10¼ per cent and a low of 5 per cent.

However, the market was still looking for another half point cut in base rates and underlying factors such as a Conservative lead in most opinion polls helped to keep sentiment bullish.

The Bank of England forecast a flat position with factors affecting the market including repayment of late assistance and bills maturing in official hands together with a take up of Treasury bills draining £245m and a rise in the note circulation of £100m. These were offset by Exchequer transactions which added £377m and banks' balances brought forward £10m above target.

The forecast was revised to a surplus of around £150m and there was no assistance in the morning.

Once again the Bank of England revised its forecast of the day's surplus to £250m and took out excess liquidity by selling £167m of Treasury bills at 9⅞-10 per cent, due to mature on March 27.

In Amsterdam the Dutch central bank announced a new sale and repurchase tender worth Fl 4.2bn at a rate of 5.3 per cent over a period of 9 days. This replaced a maturing facility of Fl 4bn which expired yesterday. This also carried a rate of 5.3 per cent.

FT LONDON INTERBANK FIXING

[illegible]

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

[illegible]

LONDON MONEY RATES

[illegible]

Legal Notices

STRUTURAL DEVELOPMENTS, GROUP PLC

NOTICE IS HERBY GIVEN, pursuant to section 48 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at Shelly House, 3 Noble Street, London EC2 on Tuesday 31 March 1987 at 2pm for the purposes of having laid before it the report prepared by the administrative receiver in accordance with the said section and, if thought fit, appointing a committee.

Creditors whose claims are wholly secured are not entitled to attend or vote at the meeting. Creditors who are partly secured may only vote in respect of the balance of the amount due to them after deducting the value of the security, as estimated by them.

A creditor in respect of the debt due on, or secured by, a bill of exchange or promissory note must treat the liability of any person who is liable on the bill antecedently to the company as security held by him (unless that other person is subject to a bankruptcy order or in liquidation).

Creditors wishing to vote at the above meeting must lodge a written statement of their claims with me at Cork Gully, Shelly House, 3 Noble Street, London EC2 no latter than 12 noon on 30 March 1987. Proxies intended to be used at the meeting must also be lodged with me by that time.

DATED this 16 day of March 1987.

Public Notices

IN THE MATTER OF THE COMPANIES ACT 1985 AND IN THE MATTER OF KINGSLEY CARDS LIMITED (IN VOLUNTARY LIQUIDATION)

NOTICE IS HERBY GIVEN pursuant to Section 594 of the Companies Act 1985 that a General Meeting of the Members of the above-named Company will be held at Park House, Park Square West, Leeds LS1 2PS on Tuesday, 7th April, 1987 at 9.40 a.m. to be followed at 11.00 a.m. by a General Meeting of the Creditors for the purpose of receiving an account of the Liquidators' Acts and Dealings and of the conduct of the Winding up to date.

Dated this 19th day of March, 1987.
A. J. ARMITAGE, B. MILLS
Joint Liquidators

IN THE MATTER OF THE COMPANIES ACT 1985 AND IN THE MATTER OF APPERLEY CARDS LIMITED (IN VOLUNTARY LIQUIDATION)

NOTICE IS HEREBY GIVEN pursuant to Section 594 of the Companies Act 1985 that a General Meeting of the Members of the above Company will be held at Park House, Park Square West, Leeds LS1 2PS on Tuesday, 7th April, 1987 at 9.45 a.m. to be followed at 10.30 a.m. by a General Meeting of the Creditors for the purpose of receiving an account of the Liquidators' Acts and Dealings and of the conduct of the Winding up to date.

Dated this 19th day of March, 1987.
A. J. ARMITAGE, B. MILLS.
Joint Liquidators

WORLD MARKETS

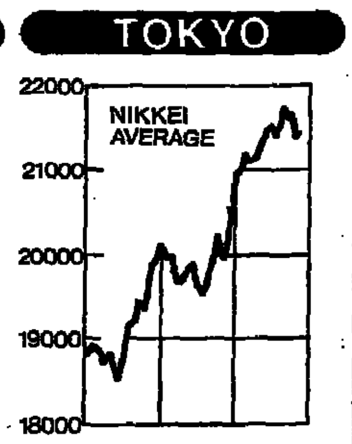
FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

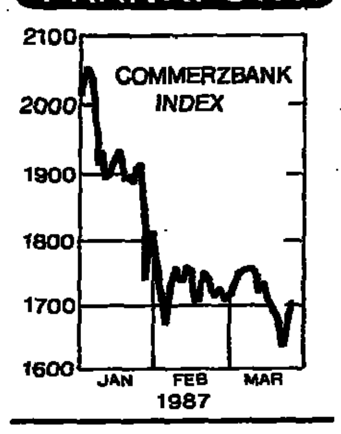
NATIONAL AND REGIONAL MARKETS — Figures in parentheses show number of stocks per grouping	WEDNESDAY MARCH 25 1987 US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	DOLLAR INDEX 1986/87 High	1986/87 Low	Year ago
Australia (94)	120.14	+0.8	110.85	115.07	3.00	120.14	70.18	89.30
Austria (16)	93.64	-0.6	86.40	88.80	1.75	101.62	70.60	76.72
Belgium (47)	118.13	-0.7	108.99	110.70	4.16	118.92	53.75	71.81
Canada (132)	133.77	-0.4	123.41	126.99	2.20	134.35	86.58	96.31
Denmark (39)	113.09	-0.7	104.34	105.63	2.37	124.10	87.87	99.53
France (121)	120.42	+0.3	111.10	114.76	2.26	120.42	57.72	80.92
West Germany (99)	87.58	+0.4	80.80	83.16	2.18	100.33	74.48	81.58
Hong Kong (45)	112.08	+0.3	103.40	112.21	2.82	114.71	62.87	65.90
Ireland (14)	130.51	+0.3	120.41	125.61	3.39	130.51	62.33	83.36
Italy (76)	103.09	+0.6	95.12	100.01	1.51	108.30	46.07	72.21
Japan (458)	127.19	+0.1	117.35	119.88	0.54	127.19	49.46	64.86
Malaysia (35)	133.64	+1.5	123.30	129.68	2.94	135.38	66.67	75.27
Mexico (14)	146.47	+1.0	135.13	177.19	1.14	146.47	43.00	56.65
Netherland (38)	112.02	-1.3	103.36	105.45	4.21	113.51	74.14	80.71
New Zealand (27)	97.00	+0.1	89.49	90.83	2.95	100.59	47.37	60.42
Norway (25)	127.09	+0.0	117.25	118.64	1.94	127.09	90.02	100.88
Singapore (27)	122.28	+2.0	112.82	120.48	3.11	122.28	55.94	58.25
South Africa (61)	162.56	+7.2	149.98	108.52	3.49	162.56	69.06	104.00
Spain (43)	110.16	-0.9	101.63	107.28	3.70	121.31	45.00	72.59
Sweden (33)	114.58	+1.4	105.71	108.05	2.22	114.58	63.35	82.77
Switzerland (52)	96.93	+1.4	89.43	91.58	1.85	104.06	69.01	76.33
United Kingdom (342)	132.76	-0.8	122.49	122.49	3.47	133.88	75.39	95.38
USA (580)	123.57	-0.4	114.01	123.57	2.94	124.06	85.46	98.54
Europe (945)	114.25	-0.3	105.41	107.21	2.91	114.57	69.36	85.12
Pacific Basin (686)	126.30	+0.1	116.53	119.32	0.70	126.30	51.10	65.72
Euro-Pacific (1631)	121.50	+0.0	112.10	114.47	1.53	121.53	58.45	73.36
North America (712)	124.11	-0.4	114.51	123.77	2.89	124.60	85.61	98.43
World Ex. US (1838)	122.40	+0.1	112.93	114.93	1.59	122.40	60.02	74.50
World Ex. UK (2076)	121.91	+0.0	112.47	117.91	1.97	121.96	69.65	82.88
World Ex. So. Af. (2357)	122.61	-0.2	113.12	118.37	2.10	122.83	69.95	83.82
World Ex. Japan (1960)	120.81	-0.2	111.46	117.52	2.91	121.08	79.87	93.07
The World Index (2418)	122.87	-0.1	113.36	118.31	2.12	123.02	70.14	83.94

Base values: Dec 31, 1986 = 100

TOKYO



FRANKFURT



EUROPEAN OPTIONS EXCHANGE

Series		Vol.	Last	Vol.	Last	Vol.	Last	Stock
		May 87		Aug 87		Nov 87		
GOLD C	$370	—	—	10	568	—	—	$413.90
GOLD C	$400	149	22	10	32	—	—	"
GOLD C	$420	470	9.50	74	20.50	22	27	"
GOLD C	$440	322	4A	142	12.50	4	19.50	"
GOLD C	$460	27	180	36	7.20	—	—	"
GOLD P	$370	50	0.50	—	—	—	—	"
GOLD P	$380	5	1.50	6	3.20	—	—	"
GOLD P	$390	135	2	—	—	—	—	"
GOLD P	$400	160	4	5	7.50	10	11	"
GOLD P	$420	184	11	4	15	1	18	"
GOLD P	$440	—	—	2	27	—	—	"
		Jun 87		Sep 87		Dec 87		
SILVER C	$500	—	—	40	105	20	115	$588
SILVER C	$550	—	—	—	—	45	75	"
SILVER C	$600	10	25	3	28	1	38	"
SILVER C	$700	146	7	—	—	—	—	"
SILVER P	$600	—	—	4	29	—	—	"
SILVER P	$650	10	69	4	70	—	—	"
£/Fl C	Fl.335	—	—	15	5.60	—	—	Fl.331.52
£/Fl C	Fl.340	—	—	35	4	—	—	"
		Apr 87		May 87		Jun 87		
$/Fl C	Fl.205	75	3.20	—	—	7	4.60B	Fl.206.37
$/Fl C	Fl.210	29	1	1	1.90	15	2.80	"
$/Fl C	Fl.215	—	—	10	0.60	25	1	"
$/Fl P	Fl.195	1	0.20	—	—	162	1	"
$/Fl P	Fl.200	—	—	—	—	358	2.20	"
$/Fl P	Fl.205	115	2.10	19	2.90A	73	3.50	"
$/Fl P	Fl.210	7	5	—	—	—	—	"
		Sep 87		Dec 87		Mar 88		
$/Fl C	Fl.210	—	—	4	5.80	—	—	Fl.206.37
$/Fl C	Fl.215	40	2.50	—	—	—	—	"
$/Fl P	Fl.200	2	4A	—	—	—	—	"
$/Fl P	Fl.205	—	—	1	8	—	—	"
		Apr 87		Jul 87		Oct 87		
ABN C	Fl.540	205	1.70B	31	9.20	9	15.50	Fl.511
ABN P	Fl.520	174	14	60	26.50	12	36	"
AEGON C	Fl.90	104	1.40B	112	2.80	—	—	Fl.86.50
AEGON P	Fl.80	5	0.50	—	—	15	3.20	"
AHOLD C	Fl.110	42	2.20B	79	5.50	4	7	Fl.107.60
AHOLD P	Fl.120	273	12	4	13	—	—	"
AKZO C	Fl.140	541	4.60	215	6.40	11	10	Fl.141
AKZO P	Fl.140	486	2.70	331	7.70	53	9.20	"
AMEV C	Fl.65	98	1.80	22	2.80	25	3.90B	Fl.63
AMEV P	Fl.65	40	3	3	4.30	—	—	"
AMRO C	Fl.80	178	2.10	27	4.90	30	5.50	Fl.80
AMRO P	Fl.80	57	3.10	57	4.40	19	6.50	"
ELSEVIER C	Fl.250	87	5.80	23	14	—	—	Fl.251.50
ELSEVIER P	Fl.240	17	2.50	4	7.50	2	11	"
GIST-BROC. C	Fl.45	225	0.70	103	2	44	3.50	Fl.43
GIST-BROC. P	Fl.45	95	2.90	—	—	106	5.40	"
HEINEKEN C	Fl.180	72	2.40	28	4.60B	1	6.50A	Fl.172.50
HEINEKEN P	Fl.170	260	3.60B	12	7A	3	8	"
HOOGOVENS C	Fl.40	362	0.80	306	2	20	2.90	Fl.34.10
HOOGOVENS P	Fl.30	527	1.30	329	1.90	40	2.50	"
KLM C	Fl.40	286	1.10	205	30	78	3.80	Fl.39.60
KLM P	Fl.40	311	1.10	89	2.60	81	3.80	"
NAT. NED C	Fl.70	56	3.80	7	5.30	110	6.80	Fl.72.40
NAT. NED. P	Fl.70	—	—	225	2.50	—	—	"
PHILIPS C	Fl.50	829	1.20	1290	2.90	354	4.10	Fl.50
PHILIPS P	Fl.40	550	0.10	10	0.50	120	0.60	"
ROYAL DUTCH C	Fl.240	1170	8.50	747	9.50A	109	11	Fl.244.70
ROYAL DUTCH P	Fl.250	811	7.50	118	16B	8	19B	"
ROBECO C	Fl.100	18	1.90	3	3	—	—	Fl.101.70
ROBECO P	Fl.100	—	—	11	2.20	—	—	"
UNILEVER C	Fl.560	426	12	376	20	75	26	Fl.566
UNILEVER P	Fl.560	254	7.10	83	17	95	23	"

TOTAL VOLUME IN CONTRACTS: 45,800

A=Ask B=Bid C=Call P=Put

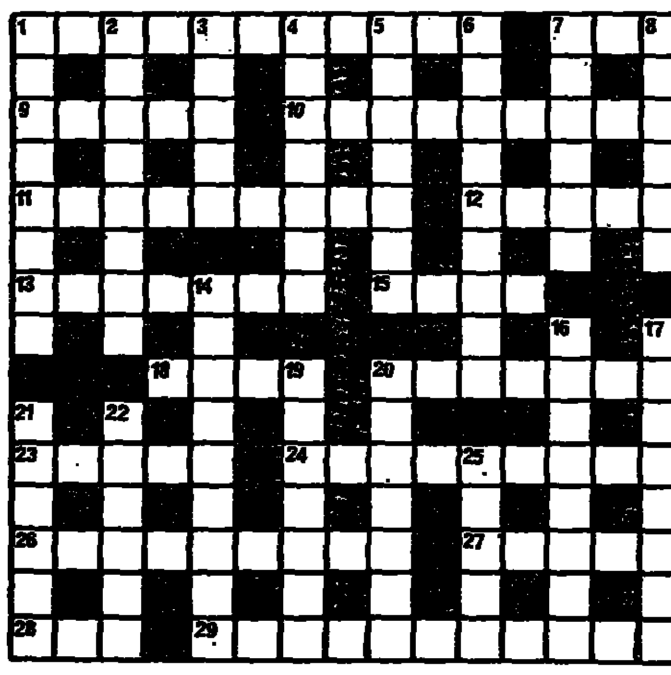
BASE LENDING RATES

	%		%		%
ABN Bank	10	● Charterhouse Bank	10	● Morgan Grenfell	10
Adam & Company	10	Citibank NA	10	Mat Credit Corp. Ltd.	10½
Allied Arab Bk Ltd	10	Citibank Savings	¶12.45	Nat Bk. of Kuwait	10
Allied Dunbar & Co	10	City Merchants Bank	10	National Girobank	10
Allied Irish Bank	10	Clydesdale Bank	10	Nat Westminster	10
American Exp. Bk	10	Comm. Bk. N. East	10	Northern Bank Ltd.	10
Amro Bank	10	Consolidated Cred	10	† Norwich Gen. Trust	10
Henry Ansbacher	10	Co-operative Bank	*10	PK Finans. Intl (UK)	10½
ANZ Banking Group	10	Cyprus Popular Bk	10	Provincial Trust Ltd.	12
Associates Cap Corp.	11	Duncan Lawrie	10	R. Raphael & Sons	10
Authority & Co Ltd.	10½	E. T. Trust	12	Roxburghe G'rantee	10½
Banco de Bilbao	10	Equator'l Tst G'p plc	10	Royal Bk of Scotland	10
Bank Hapoalim	10	Exeter Trust Ltd.	10½	Royal Trust Bank	10
Bank Leumi (UK)	10	Financial & Gen. Sec.	10	Standard Chartered	10
Bank Credit & Comm	10	First Nat. Fin. Corp.	11½	Trustee Savings Bak	10
Bank of Cyprus	10	First Nat. Sec. Ltd	11½	UDT Mortgage Exp.	¶12.25
Bank of Ireland	10	● Robert Fleming & Co	10	United Bk of Kuwait	10
Bank of India	10½	Robert Fraser & Ptrs	11½	United Mizrahi Bank	10
Bank of Scotland	10	Grindlays Bank	‡10	Westpac B'nking Corp	10
Banque Belge Ltd	10	● Guinness Mahon	10	Whiteaway Laidlaw	10½
Barclays Bank	10	HFC Trust & Savings	10	Yorkshire Bank	10
Benchmark Tst Ltd	10	● Hambro Bank	10		
Beneficial Trust Ltd.	11½	Heritable & Gen. Tst.	10		
Berliner Bank AG	10	● Hill Samuel	§10		
Brit. Bk. of Mid. East	10	C. Hoare & Co	10		
● Brown Shipley	10	Hongkong & Shangh'	10		
Business Mortgages Tst.	10	Lloyds Bank	10		
CL Bank Nederland	10	Mase Westpac Ltd.	10		
Canada Permanent	10	Meghraj & Sons Ltd	10		
Cayzer Ltd	10	Midland Bank	10		

● Members of the Accepting Houses Committee. * 7-day deposits 5.35%. Sunwise 8.03%. Top Tier—£2,500+ at 3 months' notice 9.38%. At call when £10,000+ remains deposited. ‡ Call deposits £1,000 and over 5¾% gross. ¶ Mortgage base rate. § Demand deposit 5.35%. Mortgage 12¼%.

FT CROSSWORD PUZZLE No. 6,287

DANTE



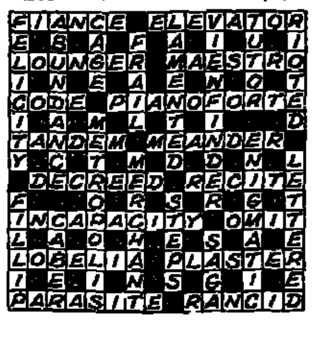
ACROSS

1 The seconds are important in such a fight (7, 4)
7 Short coat for a Scotsman (3)
9 Monarch ready to draw the line (5)
10 Haricot bean, for example, not for starters (3-6)
11 The place for a job (9)
12 Refreshing Elgar variation (5)
13 A driven out intruder (7)
15 It's worn to order, perhaps (4)
18 Mineral used in ancient alchemy (4)
20 Princess follows in a state (7)
23 The current means of escape for the world (5)
24 Catch and understand what's said (9)
26 Wife of Perseus, wrongly named Dora (9)
27 Pretend to sound desirous (5)
28 French born (3)
29 Funny number? (8, 3)

DOWN

1 Wordplay of a Socratic kind (8)
2 Instrument case? (6)
3 A girl of Roman extraction (5)
4 Port of granite construction (7)
5 Games period (7)
6 Got even (9)
7 Don't fail to exercise control (6)
8 Poison a dog, about time (6)
14 A list of those who are late (5-4)
16 Frisky South African clique? (8)
17 Fish cooked as diners required (8)
19 Cat is given water in French country-house (7)
20 Accuse the little devil of taking every one (7)
21 Stay to put mother in control (6)
22 An infant rock-and-roller (6)
25 Spritely number in fine disarray (5)

Solution to Puzzle No 6,286



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

MGM Unit Managers Ltd
MGM House, Heene Rd, Worthing 01-623 8211

High Inc	277.9	295.6	+0.9	5.21
(Accum Units)	336.3	357.7	+0.9	5.21
UK Growth	343.1	365.0	-0.3	2.59
(Accum Units)	362.4	385.5	-0.3	2.59

MLA Unit Trust Management
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 674751

MLA Gen. Tst.	40.8	43.2	-.2	1.73
MLA Income Trust	55.0	58.7		3.86
MLA Int.	60.8	64.4	+.4	0.82
MLA Gilt Unit Tst	25.0	26.4		9.04
MLA European Trust	33.8	35.8	+.3	0.49
MLA American Tst	27.4	29.0	-.1	0.86

ManuLife Management Ltd
St George's Way, Stevenage 0438 356101

Gilt&Fxd Inc	121.5	125.4		6.95
Growth Units	99.9	106.2		2.53
High Income Uts	137.9	146.5		3.86
High Yielding Gilt Uts	63.1	63.5		9.01
Intl Growth Unit Tst	152.1	161.6		0.33
UK Smaller Cos	106.1	112.7		1.42
North American	85.1	90.7		0.04
Far East	116.0	124.1		0.02

Mayflower Management Co Ltd
No. 1 London Bridge, London, SE1 9QU 01-378 7000

Income March 16	299.7	318.9		3.50
General March 16	239.9	255.2		1.95
International March 16	151.1	160.8		0.47
Global Inc Fd March 16	49.6	52.8		5.15

Mencap Unit Trust Mngrs Ltd (a)(c)(g)
Unicorn Hse, 252 Romford Rd, E7 01-534 5544

Mencap	173.5	183.5	-0.7	3.94

Mercury Fund Managers Ltd
33 King William St, EC4R 9AS 01-280 2060

Perpetual Unit Trust Mngmt. (a)
48 Hart Street, Henley on Thames 0491 576868

International Growth	311.8	332.8	+0.9	0.96
Income	236.5	252.9	-0.1	3.90
Worldwide Recovery	170.1	181.4	+0.6	1.61
American Growth	78.5	83.8	+0.3	0.87
Intl. Emerging Cos.	95.6	101.9		0.71
Far East Growth Fd	94.8	101.3	+0.8	0.37
European Growth Fd	63.5	67.8		1.03

Prolific Unit Trust Managers Limited
222 Bishopsgate, London EC2 01-247 7544/7

Providence Capital Fd. Mgrs. Ltd
30 Uxbridge Road, London W12 8PG 01-749 9111

Provident Mutual Unit Trust Managers Ltd.
25-31 Moorgate, London, EC2R 6BA 01-588 3903

Prudential Unit Trust Mngrs Ltd (a) (b) (c)
51-59 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377

Scottish Widows' Fund Management

Sentinel Funds Mngmt Ltd
30 City Road, London EC1Y 2AY

Smith & Williamson Unit Trust Mngrs

Standard Life Trust Mgmt. Ltd

Stewart Ivory Unit Trust Mgrs Ltd (a)

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

M & G Group
Three Quays, Tower Hill, EC3R 6BQ 01-626 4588

Amer Bond (Acc)	217.4	228.9	+2.0	—
Amer Rec Bond (Acc)	274.6	288.5	+2.2	—
Amer Smlr Co Bd (Acc)	118.4	124.4	+0.7	—
Australasian Bd (Acc)	175.3	184.2	+6.6	—
Commodity Bond (Acc)	176.7	185.7	+2.3	—
Deposit Bond (Acc)	221.7	232.9	—	—
Equity Bond (Acc)	655.2	688.1	-0.7	—
Equity Bond Bonus	276.9	290.9	-0.1	—
European Bond (Acc)	181.1	190.3	+0.5	—
Extra Yld Bd (Acc)	368.4	386.9	+5.2	—
Far Eastern Bond (Acc)	148.1	155.6	+2.5	—
Gilt Bond (Acc)	265.0	278.4	-2.5	—
Gold Bond (Acc)	138.4	145.4	+4.9	—
High Yield Bond (Acc)	247.3	259.8	+3.1	5.13
Index-Linked GtBd(Acc)	125.7	132.1	-0.4	—
Internl Bond (Acc)	398.9	418.4	+5.2	—
Internl Inc Bond (Acc)	125.7	136.1	+1.5	—
Japan Bond (Acc)	203.4	213.6	-2.1	—
Japan Smaller Co (Acc)	144.8	152.2	+0.2	—
Managed Bond (Acc)	481.7	505.9	+3.7	—
Property Bond (Acc)	285.6	300.0	+0.4	—
Recovery Bond (Acc)	346.4	363.8	+4.2	—
Pensions Funds				
American (Cap)	335.5	352.4	+2.0	—
American (Acc)	465.7	489.1	+2.8	—
Building Soc (Cap)	93.5	98.3	—	—
Building Soc (Acc)	129.9	136.4	—	—
Deposit (Cap)	153.7	161.5	+0.1	—
Deposit (Acc)	213.5	224.1	+0.1	—
European (Cap)	138.4	145.4	+0.6	—
European (Acc)	192.1	201.8	+0.9	—
Equity (Cap)	408.1	428.6	+5.4	—
Equity (Acc)	566.0	594.4	+7.5	—
Gilt (Cap)	248.0	260.5	-1.5	—
Gilt (Acc)	344.2	361.5	-2.1	—
Gold (Cap)	96.9	101.8	+3.3	—
Gold (Acc)	134.5	141.3	+4.7	—
Index-Linked (Cap)	95.5	100.4	-0.4	—
Index-Lnkd Gilt (Acc)	132.6	139.3	-0.6	—
International (Cap)	109.1	114.7	+1.0	—
International (Acc)	151.5	159.2	+1.4	—
Intnl Inc (Cap)	106.7	112.1	+1.2	—
Intl Inc (Acc)	148.1	155.6	+1.7	—
Japan (Cap)	126.1	132.5	-0.6	—
Japan (Acc)	175.1	183.9	-0.8	—
Managed (Cap)	310.0	325.6	+3.2	—
Managed (Acc)	430.3	451.9	+4.4	—
PPP Fund (Cap)	298.8	313.8	+3.1	—
PPP Fund (Acc)	414.7	435.5	+7.0	—

NM Schroder Life Assur.—Contd.

National Mutual Life
5 Bow Churchyard, London EC4M 9DH

MGM Assurance

Manufacturers Life Insurance Co (UK)

Merchant Investors Assurance

Municipal Life Assurance Ltd

NEL Britannia Assur Co Ltd

NEL Pensions Ltd

NM Schroder Life Assurance Ltd

National Mutual of Australasia

National Provident Institution

Norwich Union Asset Management Ltd

Norwich Union Life Insurance Soc.

Pearl Assurance (Unit Funds) Ltd

Phoenix Assurance Co Ltd

Pioneer Mutual Insurance Co Ltd

Premium Life Assurance Co Ltd

Property Equity & Life Ass. Co

Property Growth Assur Co Ltd

Property Growth Assur.—Contd.

Providence Capital Life Assc. Co Ltd

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co Ltd

Prudential Assurance Co

Prudential Pensions Limited

Regency Life Assurance Co Ltd

Reliance Mutual

Royal Heritage Life Assurance Ltd

Royal Heritage Life Assur.—Contd.

Royal Life Insurance Ltd

Save & Prosper Group

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

Scottish Life Investments

Scottish Mutual Assurance Society

Scottish Mutual Investments

Scottish Provident Institution

Scottish Widows' Group

Shield Assurance Ltd

Skandia Life Assurance Co Ltd

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd

Sun Life Unit Assurance Ltd

Sun Life Unit Assur.—Contd.

Swiss Life Pensions Ltd

TSB Life Ltd

Target Life Assurance Co. Ltd

Teachers' Assurance Co Ltd

Transatlantic Life Assur Co Ltd

Trident Life Assurance Co Ltd

UK Life Assurance Co Ltd

UK Provident

Vanbrugh Life Assurance

Vanbrugh Pension Limited

Welsh Life Assurance Co Ltd

Windsor Life Assur Co Ltd

MANAGEMENT SERVICES

David M. Aaron (Personal Fin. Plan.) Ltd

The Analysis Group PLC

Astville Investment Brokers Ltd

Bryan Walls & Partners Ltd

Dalbury Gates Financial Mgt. Ltd

FPS Management Ltd

First Financial Services PLC

Fitzgrade Ltd

Investment Portfolio Services Ltd

Johnson Fry Plc

Knight Williams & Company Ltd

Lamont & Partners Ltd.

Management & Executive Ltd

Marsh Financial Management Ltd

Noble Lowndes & Partners Ltd

The Norwich Group

O'Halloran & Co/Cambridge

PBR Fund Management Ltd

The Portchester Group

Sharp (Albert E.) & Co

Tovey Law & Co

University Medical General Ltd

J. D. Ward & Co Ltd

Tunbridge Wells Equitable

Yorkshire & Lancashire Investment Mgt.

OFFSHORE AND OVERSEAS

Actibonds Investment Fund SA

Adig Investment

Albany Fund Management Limited

Alexanders Bonus (Bermuda) Ltd

Alliance Capital Management Intl. Inc.

Allied Dunbar International Fund Mgrs

Allied Irish Fund Managers (CI) Ltd

Anglo-Swiss Assets Management Ltd

Arbuthnot Securities (C.I.) Limited

BAII Multicurrency (SICAV)

BIA Bond Investments AG

BNP Unit Mgmnt (Jersey) Ltd

Bank of Bermuda

Bank of Ireland

Banque Indosuez

Barclays Unicorn International

Baring International Group

Barings Fund Managers (Guernsey) Ltd

Barrington Mgmt (CI)—Barrington Fd

Bishopsgate Commodity Ser. Ltd

Brazil Capital Services Ltd

Bridge Management Guernsey Ltd

Bridge Management Ltd

Brown Shipley Fund Mgmt (CI) Ltd

Butterfield Management Co Ltd

CAL Investments (IoM) Ltd

CBC Asset Management Limited

Capital International

Cater Allen Investment Management (CI)

Charterhouse Bank

Charterhouse Fund Mngt. (C.I.) Ltd

Citibank (CI) Ltd "CitiFunds"

Cortexa International

Craigmount Fund Int. Mngrs. (Jersey)

Credit Suisse

DWS Deutsche Ges. F. Wertpapiersp

Daehan Investment Trust Co Ltd

Dartmoor Management (Guernsey) Ltd

Dean Witter World Wide Investment Trust SA

Delta Group

Deutscher Investment-Trust

Drexel Burnham Lambert

Dreyfus Intercontinental Inv. Fd.

Duncan Lawrie Inv. Mgt. Ltd

Dunedin Unit Trust Mgrs (Bermuda) Ltd

Dunn & Hargitt Group

EBC Trust Company (Jersey) Ltd

Elders (Switzerland) Invest. Mngt. SA

Equifidex International Mngt Ltd

Equity International Management Serv's Ltd

Equity & Law International Fund Mgrs Ltd

Equity & Law International Life Assur Co Ltd

Ermitage Management Ltd

Ermitage Management Cayman Ltd

Eurolife Assurance Group

S.G. Europe Obligations SA

Europe Prestige Fund SA

European Life (Channel Islands) Ltd

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

18½	Texaco $6.25	22¼ +1⅛	$3.00	—	8.5
41⅛	Time Inc. $1	55⅛ +⅛	$1.00	—	1.2
13½	Tracor $0.33	13⅝ +⅛	36c	—	1.7
20⅞	Transamerica $1	21⅞ +⅛	$1.76	—	5.3
781p	Transworld Corp $5	10½ –⅛	20c	—	1.2
29⅝	Trinova Corp.	40⅝ +⅛	$1.40	—	2.2
10⅝	USX $1	17½ +⅛	$1.20	—	4.4
975p	Union Carbide $1	18⅞ +⅛	$1.50	—	5.4
26⅞	Utd. Technologies	32⅝ –⅛	$1.40	—	2.8
29⅛	US West	34⅝ +⅛	b$3.04	—	5.7
20⅛	Woolworth $3½	51⅞ –⅞	$1.12	—	2.3

Continued on next page

World Fund S.A.
2 Boulevard Royal, Luxembourg
World Fund NAV $22.13 +0.16 —

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
Worldwide Gth Fd $19.18 +0.02 —
Inv. Adv.: M. & G. Inv. Mngt., Ltd, London

Yamaichi Capital Mngt (Guernsey) Ltd
22 Smith St, St Peter Port, Guernsey. 0481 23765
Japan Meta Growth $11.60 +0.06 —

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg
Advanced Tech $19.90 +0.12 —
Dynamic Gwth Fd $23.06 +0.24 —

Zero Bond Fund Limited
PO Box 208, St Peter Port, Guernsey 0481 26268
Zero Bond Fund $12.48 13.19 –0.02 —

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
Charities Aid Fndtn Money Mngmt Co Ltd				
Staple Hall, Stone Ct, Houndsditch, EC3 01-283 6461				
CAFCASH Call Fund	9.75	7.29	10.66	3-mth
CAFCASH 7-day Fund	9.75	7.29	10.66	3-mth
The Charities Deposit Fund				
2 Fore Street, London EC2Y 5AQ 01-588 1815				
Deposit	10.20	10.60ca	—	3-Mth
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fund	9.63	7.20	10.37	6mth
7-day Fund	9.72	9.37	10.48	6mth
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	9.95	7.46	10.68	6-Mth
7-day Fund	10.00	7.48	10.73	6-Mth
Dollar	4.94	3.69	5.27	6-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
ANZ Finance High Interest Chy Acc				
Minerva Hse, Montague Cl, London, SE1 01-378 2576				
£250-£2,500	8.00	5.98	—	Qtr
£2,500+	10.00	7.48	—	Qtr
Adam & Co. plc				
22 Charlotte Sq, Edinburgh EH2 4DF 031-225 8484				
Full Service Chq Acc	9.25	6.75	9.75	Qtr
Aitken Hume				
30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	9.25	6.91	10.00	Qtr
MidIntChq £1000-£5000	9.00	6.73	9.72	Mth
Mth. Int. Chq. £5,000+	9.25	6.91	10.05	Mth
Allied Arab Bank Ltd				
97-101 Cannon St, London, EC4N 5AD 01-626 2046.				
HICA, HICMA	11.25	8.41	12.31	Mth
Bank of Scotland				
38 Threadneedle St, EC2P 2EH. 01-628 8060				
Money Mkt Cheque Acc.	9.10	6.80	9.88	Mth
Barclays Prime Account				
PO Box 125, Northampton 0604 252891				
High Int. Cheque	9.00	6.75	9.75	Qtr
Benchmark Trust Ltd				
9 Henrietta Place, W1M 9AG. 01-631 3313				
Cap Chq Deposit Acc	9.25	6.91	10.05	Mth
Brown Shipley & Co Ltd				
Founders Court, Lothbury, London EC2R 7HE 01-606 9833				
Demand Acc	10.00	7.48	10.83	Qtr.
Charterhouse Bank Limited				
1 Paternoster Row, EC4M 7DH. 01-248 4000				
Sterling	10.375	7.78	11.32	Mth
U.S. Dollar	5.625	4.20	6.04	Mth
German Marks	3.50	2.62	3.73	Mth
Swiss francs	2.50	1.87	2.66	Mth
Japanese Yen	3.50	2.62	3.73	Mth
Citibank Savings				
St Martins Hse, Hammersmith Grove 01-581 1422				
Money Market Plus	Top rate	7.65	11.17	Mth
For other rates please 'phone our freeline 01-581 0629				
Co-operative Bank Cheque & Save				
78-80 Cornhill EC3 01-626 6543				
£500-£2,500	6.69	5.00	7.18	Qtr
£2,500 +	9.36	7.00	10.12	Qtr
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE 0803 862271				
Money Mkt Acc.	10.00	7.48	10.86	Qtr
Henderson/Bank of Scotland				
38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	9.01	6.08	9.49	Mth
Legal & General (Money Mngrs) Ltd				
356 Euston Road, NW1 3AG 01-388 3211				
High Int Dep Acc	10.57	7.90	11.33	6-mth
Lloyds Bank PLC				
71 Lombard St, London EC3P 3BS 01-626 1500				
HighIntCheque Account	7.80	6.20	8.98	Qtr
M & G/Kleinwort Benson				
M & G Hse., Victoria Rd., Chelmsford 0245 266266				
H.I.C.A. (£2,500+)	9.25	6.91	10.05	Daily
Midland Bank plc				
PO Box 2, Sheffield. 0742 528655				
High Int Chq Acc.	8.96	6.70	9.68	Qtr
£10,000 +	9.36	7.00	10.12	Qtr
M.I.M. Britannia Ltd				
74-78 Finsbury Pavement, EC2A 1JD 01-588 2777				
Cater Allen	9.375	7.0078	10.1934	—
NatWest Special Reserve Account				
41 Lothbury, London, EC2P 2BP 01-256 9933				
£2,000 to £9,999	9.00	6.875	9.68	Qtr
£10,000 and above	9.125	7.00	9.86	Qtr
Oppenheimer Money Mngmt Ltd				
66 Cannon St, EC4N 6AE 01-236 1425				
Money Mngt. Acct	9.75	7.29	10.55	3-Mth
Phillips & Drew Trust Ltd				
120 Moorgate, London EC2M 6XP 01-628 9771				
High Int Chq Acc	9.625	7.19	10.41	Qtr.
Provincial Trust				
30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
High Int Chq Acc	10.50	7.85	11.49	Mth
Royal Bank of Scotland plc				
42 St Andrew Sq, Edinburgh EH2 2YE. 031-557 0201				
Premium Account	9.50	7.10	10.27	Qtr
Save & Prosper/Robert Fleming				
28 Western Rd, Romford RM1 3LB. 0708 66966				
H.I.B.A.	9.10	6.80	9.91	Daily
Tyndall & Co				
29-33 Princess Victoria St, Bristol 0272 732241				
Demand Acc	9.64	7.20	10.42	Qtr
Money Acc	9.69	7.25	10.49	Qtr
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth 0705 827733				
Special Acc	9.25	6.91	10.03	Mth
£10,000 and above	9.50	7.10	10.34	Mth
Western Trust & Savings Limited				
The Moneycentre, Plymouth PL 1SE 0752 224141				
High Int Chq Acc	9.88	7.39	10.70	Qtr
Wimbledon & South West Finance Co Ltd				
114 Newgate St, London EC1A 7AE. 01-606 9485				
High Int Cheque Acc	11.25	8.41	12.25	Qtr

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ● Yield column shows annualised rates of NAV increase. xd ex dividend.

LONDON SHARE SERVICE

CANADIANS

High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
32½p	20p	♥Abbot Energy Corp.	21¼p	.....	—	—	—
18½	380p	♥Amer. Barrick Res.	18½	+⅛	—	—	—
83p	36p	Arnexo	73½p	−6½	—	—	—
19¾	13¼	Bk. Montreal ‖	16⅝	−⅛	$2.00	—	5.8
10½	595p	Bk. Nova Scot.‖	942p	−14	72c	—	3.7
20¾	17⅞	BCE ‖	20½	−⅛	$2.40	—	5.6
960p	457p	♥Bow Valley‖	960p	+9	10c	—	0.5
18¾	11¼	♥Brascan‖	18⅝	+¼	88c	—	2.3
429p	233p	♥Breakwater Res.	427p	+20	—	—	—
11⅞	820p	Can. Imp. Bk. $2	10⅝	−⅛	$1.08	—	4.9
12	692p	Can. Pacific ‖	11¼	−⅛	48c	—	2.0
42	35	Do. 4pc Deb £100	42	.....	4%	—	9.5
23¼	875p	♥Echo Bay Mines	23⅝	+1⅛	20c	—	0.4
640p	289p	♥Granges Explnǂ	640p	+52	—	—	—
33p	10p	♥Gt Pacific Res.	12¼p	−½	—	—	—
14	620p	♥Gulf Canada‖	13⅝	−¼	52c	—	1.8
15	10½	♥Hawker Sid Can‖	12¼	.....	96c	—	3.6
750p	100p	♥Hemlo Group	664p	+3	—	—	—
15⅝	11	Hudson's Bay ‖	13⅞	+¼	60c	—	2.2
33⅞	16¼	♥Imperial Oil‖	31⅝	−⅛	s$1.60	—	2.4
11⅝	731p	Inco‖	10⁵⁄₁₆	.....	US$0.20	—	1.3
20	550p	♥Intl. Corona Res.	19	+½	—	—	—
701p	500p	♥Inland Nat. Gas $1	675p	+20	60c	—	4.3
261p	122p	♥Mascocha Expln.	249p	+1	—	—	—
22⅞	748p	♥Nthl Business Sys‖	972p	+39	—	—	—
13½	965p	♥Rio Algom	11¼	−¼	65c	—	2.7
19¾	13⅞	Royal Bk. Can. ‖	16⅝	−⅛	$2.00	—	5.8
48	30¾	Seagram‖	48	+¼	US$1.00	—	1.4
14⅝	10½	Toronto-Dom. Bk.‖	14⅛	−⅛	84c	—	2.9
10	753p	♥Trans Can Pipe	10	+¼	$1.12	—	5.4
223p	125p	Varity Corp‖	149p	+3	8	—	—

BANKS, HP & LEASING

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
297	185	ANZ SA1	227	−1	Q31c	2.4	5.8	♦
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Cont

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Cont.

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

هكذا من الأحمل

LONDON SHARE SERVICE

INSURANCES—Continued

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
348	220	PWS Holdings 10p	309	+1	♦9.25	2.9	4.2	11.5
386	208	Pearl Group 5p	350	−1	8.8	—	3.5	—
950	714	Prudential	924	−11	29.0	—	4.5	—
499	362	Refuge 5p	474xd	−1	15.75	—	4.7	—
£10¾	762	Royal	935xd	−8	31.0	—	4.7	—
408	299	Sedgwick Group 10p	336	+3	♦12.0	1.7	5.0	24.3
275	194	Steel Burrill J.10p	243	+8½	9.0	♦	5.4	♦
505	347	Stewart Wr. 20p	473	+15	♦11.0	2.1	3.3	19.2
450	286	Sturge Hldgs 20p	435xd	−6	86.0	2.5	1.9	28.5
815	520	Sun Alliance	803	−5	♦17.5	—	3.1	—
£10½	778	Sun Life 5p	£10¼	−⅛	♦23.74	—	3.3	—
£52½	£16½	♦Taisho M EDR	£47¾	−¾	♦Q10%	—	0.9	—
£24½	£15¾	Torchmark $1.00	£19½	−¼	Q60c	—	2.0	—
328	120	Trade Indemnity	328	----	4.5	—	1.9	—
£40¾	£29¼	Travelers $1.25	£31¼	−⅞	$2.28	—	4.7	—
£33½	£25½	USLIFE Corp. $1.0	£26¼	+¼	Q51.20	3.2	2.9	10.6
595	425	♦Utd Friendly B 10p	595	----	♦17.2	—	4.1	—
492	373	Willis Faber 12½p	425	+12	10.75	♦	3.6	♦
57	38	Windsor Secs. 10p	56	----	0.7	1.5	1.8	51.9

LEISURE

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
17	8½	♦A & M Group 10p	16½	+½	0.4	2.0	3.4	20.6
89	72	A-R TV Pref. £1	76	----	5.95	48.1	11.2	—
549	159	Anglia TV	530	−14	g11.25	3.3	3.0	14.7
179	103	♦Aspinall Hldgs. 10p	143	−6	4.0	1.2	3.9	19.6
87	63	♦Avesco 1p	83	----	0.5	6.6	0.8	22.3
49½	39	♦BCE Hldgs 5p	49½	+1½	♦0.0	3.0	2.8	16.5
181	96	Barr & W.A.T. 'A'	180	----	7.0	1.4	5.5	17.2
225	127	Boosey & Hawkes	175	----	—	—	—	—
83	37	♦Border T.V.	81	+8	♦2.5	3.2	4.3	20.3
422	98	Brent Walker 10p	430	−5	4.0	2.7	1.4	31.8
175	33	Campari Int. 20p	173	−1	1.0	—	0.8	—
674	212	Central TV	650	−9	12.5	2.0	2.7	25.6

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PAPER, PRINTING—Continued

[illegible]

PROPERTY

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TEXTILES—Cont.

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

FINANCE, LAND—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES—Continued

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

THIRD MARKET

[illegible]

NOTES

[illegible] ... special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv 20p	74	----
Craig & Rose £1	£15¼	----
Finlay Pkg. 5p	68	----
Holt (Jos) 25p	905	+5
IoM Stm. £1	93	----
IRISH		
Fund 11¼% 1988	£98	----
Nat. 9¾% 84/89	£93¾	----
Fin. 13% 97/02	£105⅞	----
Arnotts	335	----
CPI Hldgs	65xd	----
Carroll Inds.	131	----
Dublin Gas	11	----
Hall (R. & H.)	100	----
Helton Hldgs.	51	----
Irish Ropes	175	----
Unidare	371xd	−½

TRADITIONAL OPTIONS

3-month call rates

Stock	p
Industrials	
Allied-Lyons	35
Amstrad	16
BAT	47
BOC Grp.	42
BSR	12
BTR	30
Babcock	19
Barclays	47
Beecham	48
Blue Circle	62
Boots	25
Bowaters	37
Brit Aerospace	58
Brit. Telecom	20
Burton Ord	23
Cadburys	22
Charter Cons.	39
Comm Union	29
Courtaulds	35
FNFC	20
Gen Accident	80
GEC	18
Glaxo	118
Grand Met	40
GUS 'A'	108
Guardian	85
GKN	30
Hanson Tst.	15
Hawker Sidd	50
ICI	80
Jaguar	52
Ladbroke	40
Legal & Gen	25
Lex Service	35
Lloyds Bank	48
Lucas Inds.	55
Marks & Spencer	18
Midland Bk	55
Morgan Grenfell	35
NEI	8
Nat West Bk	55
P & O Dfd	55
Plessey	20
Polly Peck	20
Racal Elect	20
RHM	30
Rank Org Ord	55
Reed Intnl	42
STC	20
Sears	12
TI	55
TSB	8
Tesco	42
Thorn EMI	58
Trust Houses	20
Turner Newall	24
Unilever	150
Vickers	55
Wellcome	58
Property	
Brit Land	17
Land Securities	30
MEPC	32
Peachey	30
Oils	
BOM	3½
Brit Petroleum	60
Burmah Oil	58
Charterhall	4
Premier	4
Shell	75
Tricentrol	11
Ultramar	17
Mines	
Cons Gold	65
Lonrho	24
Rio T Zinc	65

A selection of Options traded is given on the London Stock Exchange Report Page.

LONDON STOCK EXCHANGE

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Mar 9	Mar 19	Mar 20	Mar 30
Mar 23	Apr 2	Apr 3	Apr 13
Apr 6	Apr 23	Apr 24	May 5

* New time dealings may take place from 9.00 am two business days earlier.

Weaker pound undermines Government bonds and UK equities but golds surge again

The UK securities markets weakened yesterday afternoon as *a dip in the value of the pound* turned down the level of foreign buying in London's equity and bond markets.

Government bonds, a point higher in early trading, ended with small losses on the day as traders backed off ahead of today's UK trade figures. Equities followed a similar pattern, but fell sharply as oil stocks turned downwards.

At the close, the FT-SE 100 index showed a net fall of 13.3 to 2042.5, *while the FT ordinary* index, at 1623.0, was 2.2 off.

Selling of equities was not heavy but the withdrawal of foreign investors, in particular *the Japanese*, was *enough to* undermine the gains of the previous session.

Signs that oil shares were boiling over in New York following *disappointing statistics on industry* stocks levels, brought weakness in **British Petroleum**, **Shell** and **Britoil**. **Glaxo** again suffered from the switch of interest to *other multinational pharmaceuticals*, such as Bristol-Myers.

BAT Industries gave ground after reporting profit figures, further weakening major market indices. But **Imperial Chemical Indusries** continued to respond to favourable comment from London brokerage houses.

Dealers remained confident in prospects for equities, despite yesterday's reversal of the recent bullishness. John Goldsmith of *Chase Securities commented* that the market has discounted the probability of an election victory for Mrs Thatcher's Government, as well as for further cuts in UK bank *base rates*.

Once again, there were strong gains in South African mining stocks, driving the FT Gold Mines index up by 25.8 to another clear new 1986-87 peak of 412.4.

It was another heavy trading session for mines, with institutional buying from all quarters, both UK and overseas. While firmness in the Rand remained a significant factor, analysts also pointed to greather confident in the stability of South Africa.

Australian and Canadian mines *have been strong for some* weeks, and South African issues look cheap to those taking an optimistic view.

Particularly strong was **ConsGold**, where a bear squeeze helped to drive the price ahead.

Gilt-edged again performed disappointingly, with softness in the pound underlining the caution *of overseas investors ahead of the* UK trade figures. However, the session opened with some Japanese support, and the market was looking very firm until the pound turned lower. Gains of one point were reversed and at the close, the long end showed net falls of ¼ point.

Comment on the results and news *of South Africa's agreement* with foreign creditor banks for a *three-year* rescheduling arrangements for £8.2bn of outstanding debt helped **Standard Chartered** revive with a gain of 20 at 799p; the rise was also accompanied by vague *takeover* rumours. Elsewhere, **Guinness Peat** moved up a *fraction* more to 105½p, after 106½, as speculation concerning UKPI's 23 per cent stake in the company continued. **Benchmark**, which recently merged with **Charlton Seal**, the **Manchester** and London-based firm of stockbrokers, put on 3 at 79p. **Morgan Grenfell**, sharply higher earlier in the week following a Greenwell Montagu recommendation, lost 10 to 402p on profit-taking.

Reassuring comment in the wake of the preliminary figures helped **Willis Faber**, at 425p, retrieve the previous day's decline of 12. **Steel Burrill Jones** *improved 8½ at 243p following the* annual figures and **Stewart Wrightson** firmed 15 to 473p in anticipation of today's results. **Dewey Warren**, in which Mr Ron *Brierley's IEP Securities holds* over a 40 per cent stake, revived with a speclative gain of 15 at 216p. Apart from **Britannic**, which rose 22 to 997p in response to the *increased dividend* and profits, Life issues gave ground.

Guinness were again well traded, volume amounting to 12m shares, but sellers had the edge and the price *slipped* back 4 *to* 335p.

Interest in the Building sector remained selective. Cements encountered occasional support, with **Blue Circle** improving 11 to 791p and **Rugby** 5 to 239p. Elsewhere, **Helical Bar** continued strongly and closed *10 to* the good at 870p. **British Dredging** were 10 dearer at 116p, while demand persisted for **Raine Industries** which put on 5½ more to 113p. **Ibstock Johnsen** gained *8 to 268p in reply* to the good annual results and proposed one-for-one scrip issue. **John Maunders** closed 2½ better at 278p after the interim figures *and the announcement of a placing* of near 2.1m shares at 250p to raise £5m.

Buyers re-appeared for **ICI**, up $\frac{3}{16}$ at £13$\frac{7}{16}$, as recent currency *worries* faded. *Elsewhere in the* Chemical sector, **Yorkshire** rose 8 further to 234p. Further consideration of the preliminary statement left **Alida Holdings** 15 to *the good* at 435p.

Leading Retailers failed to take the previous day's good gains a stage further. Buyers withdrew and profit-taking took its toll as **Burton** fell 6 to 310p and **Harris Queensway** relinquished 11 at 215p. Elsewhere, **Blacks Leisure** continued to reflect an investment recommendation with a fresh rise of a penny at 21¼p and **Jacques Vert** jumped 17 to 270p on speculative buying fuelled by talk of an imminent development.

Recent strong support of BICC ahead of the preliminary figures was well justified yesterday when the company revealed better-than-expected annual pre-tax profits of *£101m* and the shares jumped 9 more to 353p, after 356p. Another good business was transacted in **STC**—well over 8m shares changed hands—as bid rumours *continued to do the rounds and* the close was 4 better at 263p, *after* 265p. Sellers held sway in **Plessey** which gave up 4 to 253p following a turnover of nearly 9m *shares and* **Thorn EMI** *ended the* session 4 off at 614p. Secondary Electricals featured **Scantronic**, 31 up at 171p on reports of a brokers circular. Speculative buying *on bid hopes lifted* **Wordplex** *20 to* 162p and **Telephone Rentals** 19 to 236p.

Among the Engineers, **Babcock** drifted back a shade to 196p *following the preliminary figures*, but trading statements left **Banro** 4 to the good at 212p and **Delta Group** 7 higher at 261p. Speculative demand prompted a rise of 11 *to 181p in* **Concentric** *and a gain of* 10 to 107p in **Cronite**.

Two above-average sales of **Hillsdown** shares produced a domino knockdown effect, unsettling marketmakers and causing the price to weaken to 265p before a close of 8 down at 272p. **Bernard Matthews** were another major casualty in the Food sector, dropping *49 to* 283p *on the first-half* profits warning; last year's figures were also slightly disappointing. **Rowntree Mackintosh** reacted 17 to 498p and **Cadbury Schweppes** gave up 4 at 246p but **Unigate** bounded higher still to close 14 up at *401p*; **James Capel** visited the last-named company earlier in the week. *Still reflecting impressive* mid-term results, **Chambers and Fargus** moved 12 higher to 105p, while other good features included **Nichols (Vimto)**, to *dearer at 290p*, and **Hughes Food**, 8 better at 130p. **Islandic Frozen Foods** improved to 343p after the figures and rights issue proposal.

Ladbroke went 7 down to 442p *with the general trend but* **Trusthouse Forte** resisted, gaining 4 more at 239p. **Queens Moat** were supported and rose 5½ to 87½p in front of the preliminary statement, *due on* April 6.

Pilkington resisted the downward trend in the miscellaneous industrials leaders, advancing afresh on further investment *demand to close 20 higher at 810p*. **Beecham** also managed a gain of 6 at 566p, but **Glaxo** drifted off a ¼ to £15⅛, while a fall of 7 was marked against **BOC**, at 459p. Elsewhere, **Extel** *featured a gain of* 52 at 552p following the announcement that Mr Robert Maxwell has increased his stake in the company to 26.4 per cent; the ban on *Mr Maxwell from making a bid for* Extel expires at the end of next month. In contrast, **Wellcome** met with a revival of selling and weakened 35 to 453p. **Hepworth Ceramic** drifted off to close 7 cheaper at 227p following preliminary figures in line with most expectations, but good annual results and a confident statement on the outlook lifted **Gordon Russell** 28 to 275p, while **Technical Component Industries**, also reflecting satisfactory trading results, advanced 45 to 390p. Press comment stimulated demand for **Allied Plant** which gained 4½ to 46p. Speculative activity revived in **Stonehill**, up 9 to 93p, and continued *to sustain* **Redfearn Glass** which advanced 11 more to 551p. **Pentland Industries**, still benefiting from the recent figures, put on *14½* more to 705p. **Norank** continued to make progress at 232p, up 22, but **Relyon** eased 7 to 231p after the annual results and proposed one-for-three scrip issue. **Excalibur**, in contrast, ran into *persistent profit-making and* reacted to close 13 lower at 63p. **Keep Trust**, reflecting satisfactory preliminary figures, improved 7 to 295p.

Heavy profit-taking took its toll on the recently buoyant television issues. **Central** dropped 9 to 650p ahead of today's annual results, while **Grampian** declined 16 to *109p as did* **TV AM** *to 380p*. **LWT** gave up 15 to 873p and **Yorkshire** cheapened 23 to 350p. **Border**, however, somewhat overlooked in the recent advance, attracted support and *closed 8 higher at 81p*, after 82p. Elsewhere in Leisures, **Owners Abroad** continued to draw strength from a recent investment recommendation and touched *893½p before closing 6 dearer on* balance at 81p.

Armstrong Equipment rebounded even more strongly to close 21 higher at 182p; on Monday the *shares weakened to 154p* following slightly disappointing interim results and the need for a £9m provision to streamline the group's *activities*. **H & J Quick** highlighted Distributors, rising 20 *more* in a thin market to 225p on further bid speculation. **William Jacks** rose 4 to 43p.

Sharply improved profits stimulated **Bemrose**, which jumped to 290p before settling *18 up at 278p* but Paper/Printings otherwise were *mixed*. **Ault and Wiborg** strengthened further to 189p, up 16 more, but **DRG** came back 5 to 438p. **Blenheim Exhibits** gained 10 to 193p, while **FKB** rose 10 to 310p. Excellent annual results lifted **Lowe Howard-Spinks** only 3 to 455p and **Charles Barker** were unable to hold early strength on improved figures, ending marginally better at 150p, after 156p. Publishers featured **William Collins**, 25 higher at 620p.

Firm features were plentiful among secondary Properties. On the same day it was announced that **Randsworth Trust** had increased its stake in **Apex** to 24.37 per cent, the latter revealed that it had received a bid approach and immediately responded with a rise of 15 to 150p. A gain of 20 to 198p in **Trust of Property** was quickly followed by a statement from the company stating they know of no reason for the rise, while **Tops Estates** jumped 50 to 520p following details of the proposed £8m convertible rights issue. **Marler Estates** revived with a rise of 38 to 913p and **Shield**, still reflecting the joint venture with Heron, jumped 50 afresh to 380p. **St Modwen** continued firmly at 48p, up 6. By way of contrast, **York Mount** dropped 9 to 89p awaiting further news regarding the possible acquisition of a complementary business. The leaders succumbed to profit-taking as buyers returned to the sidelines. **Land Securities**, at 408p, *lost 10 of* Tuesday's gain of 23 and **MEPC** relinquished 4 at 386p.

A relatively light institutional demand for **Courtaulds** exerted fresh pressure on marketmakers' book positions and the price rose *to a record 436p, up 8 on the session*. **Atkins Bros** were another stock on many buying lists and the close was 9 higher at 254p. **John Crowther**, 4 better at 216p, also *continued to progress but a bout* of profit-taking brought recently-strong **Palma** back 5½ to 80p.

Annual profits exceeding the market range did little for **BAT Industries** which eventually lost ground on a report that the group had more than sufficient resources to make a big acquisition. The shares ended 7 down at 528p.

The popularity of **Financial Trusts** continued and **Candover Investments**, the management buy-out specialists, supported 14 higher to 279p following comment on Tuesday's annual results. **Argyle Trust** again dazzled *with* a fresh rise of 17 to 198p, which *extended the gain so far this week* to 41. **Asset Trust** jumped 5 more to 101p on news that talks with a third party were at a very preliminary stage. More detailed consideration of the full-year figures lifted **Close Bros** 8 to 328p and **Antofagasta** revived with a *rise* of 13 to 188p.

Oils showed sizeable losses and settled at the session's lowest. **BP** were 11 *down* at 889p and **Shell** ⅜ lower at £12⅜, while **Ultramar** retreated 13 to 237p and **Britoil** 7 *to 229p. News of the latest annual* loss left **Tricentrol** 2 cheaper at 89p. Speculative issues sometimes bucked the trend, **North West Exploration** closing 6 higher at 48p *and* **Pennine** *ending similarly* higher at 24p. **Bryson** picked up 15 at 120p while Australian stocks to the fore included **Santos**, 10 better at 207p, and **Bridge Oil**, 6 firmer at 70p.

Lonrho figured prominently late in Overseas Traders, rising 8 to 275p.

The upsurge in South African *Gold shares* gathered pace, driving the FT Gold Mines index ahead to a new peak, with one of the best daily gains for around two years.

Among the producer stocks, *gains ranged to more than £1 in* **Western Deep Levels**, **St Helena**, **Southvaal** and **Doornfontein**.

Dealers said that buying was largely from the investment funds and originated across the broad front of the market, taking in the UK, *European*, Cape and South African houses.

"A very, very good day," commented one trader as prices ended at the day's best levels.

A strong Rand and bullion price again played a role in pushing producer stocks ahead. But this week's upturn suggests a wider revision of *investment attitudes* towards the South Africans which have fallen behind the performance of the Australian and North American sectors.

A significant factor is still the shortage of stock, with major stockholders keeping hold of their shares and watching prices rise.

Traded Options

An increased turnover in the Traded Options market *saw* 54,434 deals completed, comprising 38,760 calls and 15,674 puts. **British Gas** were particularly popular, recording 9,680 calls—2,366 in the *July '90s—and 4,400 puts—1,055 in* the October 100's. **British Airways** also fared well with 3,714 calls and 1,733 puts arranged.

Traditional Options

- First dealings March 16
- Last dealings March 27
- Last declaration June 25
- For Settlement July 6

For rate indications see end of Unit Trust Service

Call options were taken out in **ASDA-MFI**, **600 Group**, **Pineapple**, **Phoenix Property**, **Argyle Trust**, **Talbex**, **Blacks Leisure**, **Benjamin** *Priest*, **Conroy Petroleum**, **North Kalgurli**, **Helical Bar**, **Ellis and Goldstein**, **Atlantic Resources**, **Eagle Trust** and **Cliff Oil**. No puts or double options were reported.

FINANCIAL TIMES STOCK INDICES

	Mar. 25	Mar. 24	Mar. 23	Mar. 20	Mar. 19	Year ago	1986/87 High	1986/87 Low	Since Compilation High	Since Compilation Low
Government Secs	91.56	91.66	†92.19	92.04	91.90	91.12	94.51 (18/4/86)	80.39 (20/1/86)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	97.33	97.32	97.52	97.89	97.89	94.86	97.98 (19/3/87)	86.55 (23/1/86)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1,623.0	1,625.2	1,611.5	1,598.9	1,581.6	1,380.4	1,625.2 (24/3/87)	1,094.3 (14/1/86)	1,625.2 (24/3/87)	49.4 (26/6/40)
Gold Mines	412.4	386.6	367.4	362.4	350.4	291.9	412.4 (25/3/87)	185.7 (18/7/86)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	3.64	3.63	3.64	3.67	3.71	3.93				
Earnings Yld.%(full)	8.34	8.33	8.41	8.59	8.59	9.31				
P/E Ratio (net) (*)	14.70	14.72	14.59	14.46	14.27	13.34				
SEAQ Bargains (5 pm)	57,282	61,358	57,177	57,786	51,952	—				
Equity Turnover (£m)	—	1,665.65	1,445.81	1,487.14	1,503.68	937.42				
Equity Bargains	—	70,209	68,020	68,578	63,380	45,526				
Shares Traded (ml)	—	633.7	593.7	673.2	620.6	414.1				

S.E. ACTIVITY

Indices	Mar. 24	Mar. 23
Gilt Edged Bargains	184.6	191.0
Equity Bargains	454.9	440.7
Equity Value	3,366.7	2,922.4
5-Day Average		
Gilt Edged Bargains	196.3	195.7
Equity Bargains	427.1	405.7
Equity Value	3,171.5	3,004.0

♥ Opening 1622.2 | 10 a.m. 1628.7 | 11 a.m. 1628.3 | Noon 1624.5 | 1 p.m. 1623.7 | 2 p.m. 1623.7 | 3 p.m. 1620.9 | 4 p.m. 1619.6

Day's High 1633.4. Day's Low 1617.7

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, *Nil=14.16. †Corrected

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

NEW HIGHS AND LOWS FOR 1986-87

NEW HIGHS (310)

AMERICANS (6), CANADIANS (5), BANKS (4), BUILDINGS (27), CHEMICALS (4), STORES (7), ELECTRICALS (17), ENGINEERING (10), FOODS (8), HOTELS (2), INDUSTRIALS (43), INSURANCE (2), LEISURE (7), MOTORS (6), NEWSPAPERS (6), PAPER (12), PROPERTY (29), SHIPPING (1), SOUTH AFRICANS (2), TEXTILES (3), TRUSTS (46), OILS (9), OVERSEAS TRADERS (1), MINES (52), THIRD MARKET (1).

NEW LOWS (4)

AMERICANS (1)
Contl. Illinois Corp.
ELECTRICALS (1)
TDK Corpn.
PROPERTY (1)
West & Country
OVERSEAS TRADERS (1)
GN Great Nordic

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 6 pm.

Stock	Volume 000's	Closing price	Day's change	Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	2,400	155	–1	Ladbroke	722	442	–7
Allied Lyons	7,000	405	+4	Land Securities	7,300	408	–2
Amstrad	6,900	188	–5	Legal & Gen.	896	300	–8
Assoc. Brit. Foods	696	374	–2	Lloyds Bank	1,200	479	–8
BAT	8,700	528	–6½	Lonrho	2,700	275	+8
BET	287	510	+1	MEPC	1,800	387	–4
BOC	509	457	–7	Marks & Spencer	2,800	229	—
BPB Inds	268	713	–2	Midland Bank	646	642	–5
BPCC	435	341	–2	NatWest Bank	946	609	–3
BTR	3,200	331	+1	Pearson	1,800	593	+4
Barclays	731	517	–2	P & O	2,300	638	+2
Bass	339	939	–5	Pilkington Bros	2,600	810	+20
Beecham	3,000	566	+6	Plessey	8,800	253	–4
Blue Circle	2,322	791	+11	Prudential	841	924	–11
Boots	1,100	295	+1	Racal	2,300	238	–1
Brit. Airways	5,700	128	–2	Rank Org.	762	713	–10
Brit. Aero	2,800	633	+7	RHM	762	525	–1
Brit. Gas	41,000	94½	–2	Reckitt & Col	244	995	–11
Britoil	4,500	229	–7	Redland	310	474	–1
BP	6,300	889	–11	Reed Intl.	805	415	–5
Brit. Telecom	6,400	261	–2	Reuters	435	693	–4
Bunzl	422	240	–1	RMC	78	847	–6
Burton	5,400	310	–6	RTZ	1,500	758	+31
Cable & Wire	2,400	368	+1	Rowntree Mac	1,300	498	–17
Cadbury Schweps	2,900	246	–4	Ryl Bnk of Scotland	196	336	—
Coats Viyella	976	603	–14	Royal Insurance	471	935	–8
Comm. Union	853	324	–21	STC	8,300	263	+4
Cons. Gold	3,100	925	+61	Saatchi & Saatchi	648	660	+3
Cookson	359	608	–2	Sainsbury	597	502	+3
Courtaulds	1,400	436	+8	Scott & Newcastle	1,100	239	–4
Dee Corpn	2,000	239	–2	Sears	2,900	137	–1
Dixons Grp	5,500	398	–4	Sedgwick	830	336	+3
English China Clays	292	412	–5	Shell Trans	4,700	£12⅜	–⅜
Fisons	392	665	+4½	Smith & Nephew	3,000	168	–4
Gen. Accident	550	957	–2	Standard Chart	1,500	799	+20
Gen. Elect	5,100	223	–1	Storehouse	2,100	316	—
Glaxo	2,300	£15⅛	–¼	Sun Alliance	255	803	–5
Globe Investment	776	157½	—	TSB	8,500	84	+1
Granada	785	351	+2	Tarmac	352	540	–7
Grand Met	1,500	487	–1	Tesco	1,300	483	–5
Gus "A"	108	£12$\frac{15}{16}$	–$\frac{1}{16}$	Thorn EMI	1,600	614	–4
Guardian R.E.	212	930	–12	Trafalgar House	1,700	348	–9
GKN	510	335	–2	T'house Forte	4,100	239	+4
Guinness	12,000	335	–4	Unigate	4,300	401	+14
Hammerson Prop	565	530	+15	Unilever	177	£25⅜	–⅛
Hanson Trust	7,700	164	–½	United Biscuits	1,000	288	–4
Hawker Sidd	158	541	–5	Wellcome	3,800	453	–35
Hillsdown Hlgs	5,700	272	–8	Whitbread 'A'	964	345	–2
ICI	3,000	£13$\frac{7}{16}$	+$\frac{3}{16}$	Willis Faber	1,600	425	+12
Imp. Cont. Gas	76	729	–1	Woolworth	323	853	—
Jaguar	707	581	–4				

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	9	102	2
Corporations, Dominion and Foreign Bonds	0	24	44
Industrials	508	504	526
Financial and Properties	210	132	245
Oils	32	38	42
Plantations	4	4	6
Mines	105	10	65
Others	93	58	47
Totals	961	872	977

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

Wednesday March 25 1987

[illegible]

FIXED INTEREST

[illegible]

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls Jly.	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
Allied Lyons (*404)	330	75	85	92	1	2½	5
	360	47	57	70	2	9	15
	390	20	37	48	9	20	25
	420	7	18	28	27	35	40

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Guinness (*334)	280	62	77	90	2	10	12
	300	50	65	78	9	15	22
	330	28	45	57	20	25	30
	360	12	30	—	35	40	—

[illegible]

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1986/87 High	1986/87 Low	Stock	Closing Price	+ or –	Net Div.	Times Cov'd	Gross Yield	P.E. Ratio
[illegible]											

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

WORLD STOCK MARKETS

AUSTRIA | GERMANY | NORWAY | AUSTRALIA (continued) | JAPAN (continued)

BELGIUM/LUXEMBOURG | SPAIN | SWEDEN | HONG KONG

DENMARK | ITALY | SWITZERLAND | SINGAPORE

FINLAND | FRANCE | AUSTRALIA | JAPAN | SOUTH AFRICA

NETHERLANDS

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices.

CANADA

TORONTO

Closing prices March 25

MONTREAL

Closing prices March 25

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

TORONTO

NYSE-Consolidated 1500 Actives

TOKYO – Most Active Stocks
Wednesday, March 25, 1987

	Stocks Traded	Closing Price	Change on Day		Stocks Traded	Closing Price	Change on Day
Nippon Steel	189.1m	378	−2	Ishikawa Heavy Ind	52.6m	546	−6
Nippon Kokan	133.1m	286	−4	Tokyo Gas	45.6m	1,330	+10
Kawasaki Heavy Ind.	68.2m	274	+4	Showa Denko	45.2m	655	+10
Kawasaki Steel	61.5m	268	−2	Japan Steel Works	32.7m	462	−35
Sumitomo Metal Ind.	55.3m	285	−14	Nippon Yusen	25.2m	640	−1

LONDON – Most Active Stocks
Wednesday, March 25, 1987

	Stocks Traded	Closing Price	Change on Day		Stocks Traded	Closing Price	Change on Day
Brit Gas	41.90m	94½	−2	TSB	8.58m	84	+1
Brit Airways	25.70m	128	−2	STC	8.30m	263	+4
Boots	21.10m	285	+1	Land Secs.	7.30m	408	−2
Guinness	12.80m	335	−4	Allied Lyons	7.00m	485	+4
Plessey	8.80m	253	−4	Amstrad	6.90m	188	−5

LONDON Chief price changes
(in pence unless otherwise indicated)

RISES:			
Anglo A. Gold	£67⅞	+	7⅞
Apex Props	150	+	15
Argyll Tr	198	+	17
Arm. Equip	182	+	21
Ault & Wiborg	189	+	16
Border TV	81	+	8
Candover Inv.	279	+	14
Extel	550	+	52
Gor Russell	275	+	28
Nichols (Vimto)	290	+	25
Norank	232	+	22
Owners Abroad	81	+	6
Pilk Bros.	810	+	20
Queens Moat H.	87½	+	5½
Randfontein	£88¾	+	5¼
Scantronic	171	+	31
Shield Gr	380	+	50
Standard Chart.	799	+	20
Tech C. Inds.	390	+	45
Tops Estates	520	+	50
Wordplex	162	+	20

FALLS:			
BP	889	−	11
Excalibur Jewel	63	−	13
Grampian TV A	109	−	16
Matthews (B.)	283	−	49
Wellcome	453	−	35
Yorkshire TV	350	−	23

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 47

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
33	20⅝	AAR s	.50	1.6	22	41	32⅜	31¾	31⅞	−⅜
37	21⅞	ADT	.92	2.6	20	240	34⅞	34⅜	34⅞	+¼
41½	23⅝	AFG	.12e	.3	12	915	38¾	37½	38⅜	+1
40¼	16¾	AGS			22	222	37	36¾	37	
14⅞	6¾	AMCA				110	8¾	8⅜	8¾	+¼
9⅝	4⅞	AM Intl				853	9	8¾	8⅞	
62⅛	47¼	AMR			12	10735	55¼	53¾	54⅛	−1¼
12⅞	8	ARX s			13	196	10⅞	10⅜	10⅜	−⅛
58⅝	28¾	ASA	2a	3.3		4646	u62¼	60⅛	60¾	+1
[illegible]										

Continued on Page 47

هكذا من الأصل

NYSE COMPOSITE CLOSING PRICES

Continued from Page 46

[illegible]

AMEX COMPOSITE CLOSING PRICES

[illegible]

OVER-THE-COUNTER *Nasdaq national market, closing prices*

[illegible]

Continued on Page 45

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls - sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-divident or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in-full. yld-yield. z-sales in full.

FINANCIAL TIMES

WORLD STOCK MARKETS

AMERICA

Fall in buying interest ends series of peaks

WALL STREET

WALL STREET stock prices failed to extend their rise to record levels for the seventh straight session yesterday in moderately active trading, *writes David Owen in New York.*

Credit markets were reasonably steady on moderate trading volume after the dollar stabilised from further early morning losses in Japanese and European markets.

The Dow Jones industrial average closed down 5.69 points at 2,363.49, having traded either side of yesterday's market close during the day. Declines in broader market indices such as the Standard & Poor's 500 were smaller. Overall, the Standard & Poor's 500 fell 1.26 to 300.38, while the New York Stock Exchange composite lost 0.58 to 170.50.

Volume eased to 172.1m shares with declining issues outpacing advancers by a margin of eight-to-seven.

Much of the activity was in the blue chip ector, with the strong performance of IBM and Philip Morris in particular helping to prevent further losses. Dealers attributed the overall market decline to a continuation of the profit taking seen in the previous session.

Among the blue chips, Philip Morris rose $2½ to $87¾, General Electric fell back $¼ to $110⅝, American Can dropped $1⅛ to $51⅜, Coca-Cola dipped $⅜ to $47⅞ and Boeing rose $⅛ to $52⅞.

Recently buoyant blue chip sectors were among the stocks worst affected by early profit taking.

Among oil stocks, Exxon was down $⅝ at $87⅝, Amoco fell $1⅛ to $82⅞ and Mobil dropped $⅜ to $49¼.

Merck led the decline among drug issues, falling $2¾ to $160⅞. Upjohn was down $3 to $129¼ and Warner-Lambert slipped ¾ to $77⅞.

Technology stocks were mixed, with IBM providing the market's main support. Overall Big Blue gained $2⅞ to $155⅝, consolidating yesterday's gains. Digital Equipment however fell $2⅛ to $165½ and Unisys dropped $1⅜ to $102⅜.

Texas Instruments rose $4⅞ to $187⅞. The stock has been strong recently on the back of expectations that the US may enact sanctions against Japanese chip makers.

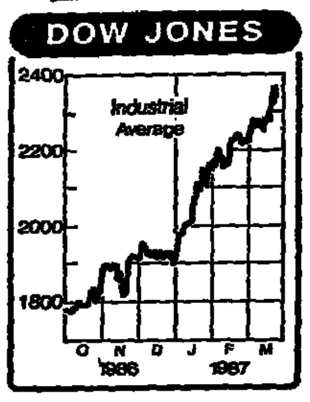
Another riser was Allegis, the Chicago-based travel services company which recently changed its corporate name from UAL. The company's stock rose $2½ to $62½, following a newspaper report that corporate raider, Mr Donald Trump has confirmed that he owns a major stake and may seek control.

Among other airline stocks, NWA was down $2 at $65¼, Texas Air dropped $1⅝ to $39⅝ and Pan Am was unchanged at $4⅞.

Gold stocks were generally higher too, with Homestake up $¼ at $31⅞ and Battle Mountain Gold rising $⅜ to $29⅜.

In the takeover arena, Supermarkets General rose $1½ to $45⅞. Dart Group yesterday sweetened its bid for the company to $45 a share in cash and stock. Among other store groups, K Mart added $⅛ to $65¼, J. C. Penney fell $⅜ to $99⅛ and May Department Stores dropped $½ to $48⅞.

DOW JONES



ICN Pharmaceutical, whose drug Virazole has recently been undergoing tests to determine its effectiveness in combating AIDS in the disease's early stages, fell $1⅛ to $17⅞. Eastman Kodak said after last night's market close that it was selling its 2.3 per cent stake in ICN and "a substantial portion" of its 9 per cent holding in Viratek, the ICN subsidiary which holds the rights to Virazole. Viratek was down $5½ at $38½ in over-the-counter trading. Eastman Kodak itself was down $⅜ at $79¼.

In the beverage sector, Anheuser-Busch slipped $1 to $34⅞. Mr Dennis Long, president of the group's beer subsidiary yesterday announced his resignation. Among other beverage stocks, Heileman Brewing was unchanged at $30 and Coors lost $⅜ to $28¼.

Cyclops, the specialty steel and electronics retailer, gained $½ to $92. Dixon's, the UK retailer, said some 852,000 shares of Cyclops stock were tendered pursuant to its $90¼ takeover offer which expired March 24.

Credit markets were reasonably steady on moderate volume as the dollar firmed slightly after renewed early morning losses in the Far East and Europe. The 7.50 per cent benchmark Treasury long bond was off ³⁄₃₂ of a point at $99⁹⁄₁₆ at which it yielded 7.56 per cent. Shorter maturities showed similar losses.

The $7.75bn sale of four-year notes, the second segment of a $25bn three-part mini-refunding, was characterised by dealers as fairly well bid.

CANADA

PRECIOUS and base metal miners continued to move ahead in Toronto as oils weakened.

Campbell Red Lake added C$⅜ to C$36¼ on the back of a stronger bullion price while Hemlo Gold was C$1½ higher at C$25. Dome Mines traded C$½ up to C$16¼.

Among other metal stocks, Alcan picked up C$⅜ to C$52⅞ and Inco advanced C$⅜ to C$21⅞.

Industrials moved against the weaker trend in Montreal.

Swiss bank in SFr 60m offering

By John Wicks in Basle

BANK SARASIN, the Basle bank with roots going back to the mid-nineteenth century, is planning to raise SFr 60m ($39.4m) through an initial public share offering as part of a wide corporate restructuring.

Mr Alfred E Sarasin, chairman, said yesterday that the shares would go to "loyal clients, employees and friends of the bank." Shareholders must be Swiss citizens domiciled in Switzerland or in foreign countries other than the US whereby no single natural or legal person is intended to hold more than 4 per cent of all the B share capital.

A series of 20,000 new B registered shares of SFr 500 nominal value will be placed between next Monday and April 8 at a price of SFr 3,000 each ($1,9731).

The shares will be traded on the Basle over-the counter market or pre-bourse in Zurich.

At the same time, 37.208 further 'B' shares and 100,000 'A' registered shares will be issued – back-dated to January 1 – to partners of the former limited partnership A. Sarasin Banquiers. The Bank's welfare funds will take over an additional 2,792 'B' shares for distribution to employees and management.

Mr Sarasin said the administration had the right to issue participation certificates or non-voting shares – "at a later date" but added this was not foreseen for this year.

The various transactions take place in connection with the conversion of A. Sarasin Banquiers, into a new limited partnership called Bank Sarasin and Cie.

The bank is to retain its characteristics of an independent private bank, working both in Switzerland and abroad with the accent on portfolio management.

However, Mr Sarasin pointed out that the re-structuring would mean the bank no longer depended on the "fate of individuals" and would also be able to raise the necessary outside capital to finance future growth.

In its new form, Sarasin publishes its accounts and is therefore able to advertise for clients' funds. Despite this, the existing partners will continue to be subject to unlimited liability.

This is the first time that a private bank has developed in this form in Switzerland. It is possible that it will nevertheless be permitted to retain its legal standing as a classical private bank.

In its first published annual report, Bank Sarasin records a net profit of SFr 8.7m. Commission earnings last year accounted for SFr 5.16m of SFr 78.6m total income. The balance sheet total as of December 31 is given as SFr 519.5m.

According to finance director Mr Raymond Bigert, the bank foresees a dividend payment of 12 per cent in respect of 1987. The year's budget was "good," he added.

Laura Raun reports on the latest move to automate the bourse

Amsterdam tackles trading floor

THE AMSTERDAM stock exchange is launching a comprehensive automation project for its trading floor that will improve and expand computer capacity but will stop short of fully automated dealing, as in London.

The automation project will include order transactions, clearing and settlement, the interprofessional market for block trading and price reporting. It will take several years, with the initial automation of order transactions to be in operation by next year.

The Amsterdam bourse is modelling its new computer system on the Midwest Stock Exchange in Chicago, with which a co-operative agreement has been reached. The Midwest exchange will provide the computer programming for the interprofessional market, a new market in which institutional investors deal on the basis of negotiated commissions.

The stock exchange refused yesterday to disclose the amount of investment in the modernisation project or the computer suppliers with which it is working. The project has been in preparation for years but bourse officials have done their best to keep it secret.

Amsterdam made it clear that it will maintain a central trading floor, unlike the completely automated system in London where traders now deal only through computer terminals, making the stock exchange floor virtually redundant. The Amsterdam exchange floor will be rebuilt and outfitted with computer terminals for inputting of transaction data and screens for display of dealing information.

The system for reporting executed trades will include price, volume, market-affecting news and historical data as well as prices from other stock exchanges in Europe, the US and Japan. Trading suspensions and background information from prospectuses and annual reports also will be displayed.

EUROPE

Paris reaches third high despite profit-taking

PROFIT-TAKING set in after the recent gains on major European bourses yesterday but failed to prevent French stocks from edging up to their third consecutive record high.

Paris had another lively session, ending narrowly mixed but with the CAC General index up 1.4 at a peak of 459.2. It has gained 14.7 points, or just over 3 per cent, so far this week.

Buying by overseas investors and domestic institutions met profit-taking which produced sharp declines in selected stocks.

Constructions continued to enjoy the lift provided by the European Disneyland project, with Bouygues up FFr 45 to FFr 1,470, Lafarge Coppée ahead by FFr 60 to FFr 1,660 and Screg jumping FFr 59, or 7.5 per cent, to FFr 850.

Dumez, which with GTM Entrepose has won a FFr 730m civil engineering contract from Nigeria, gained FFr 11 to FFr 2,560.

Among generally strong electronics issues, Radiotechnique advanced FFr 68 to FFr 1,758 and Matra FFr 75 to FFr 2,675.

Significant falls were registered by Galeries Lafayette, which lost FFr 61, or nearly 5 per cent, to FFr 1,220, and by Valeo, down FFr 20 to FFr 570. Peugeot was also lower, off FFr 10 at FFr 1,490.

Frankfurt lost some of its new-found steam to finish mixed after overseas investors retreated from the market and profit-taking hit some blue chips.

The Commerzbank index reflected early gains with a 10.2 rise to 1,700.5.

Banks stayed firm amid expectations of good dividend or shares news coming soon: Deutsche was up DM 3.50 at DM 644, Dresdner put on DM 1.0 to DM 330.50 and Commerzbank added DM 1.50 to DM 266. The latter said it would buy the printing technology group Linotype from Allied Signal of the US and float it on the bourse later in the year.

Utility Veba eased DM 1.40 to DM 259.60; the placement of 10.1m Government shares closed for institutional investors but was still open yesterday for small shareholders.

Bonds also finished mixed as early losses were offset by foreign buying, especially from Britain. The Bundesbank sold DM 80m worth of paper after selling DM 141.6m on Tuesday.

Zurich remained buoyant with banks and insurers leading rises. Swiss investors appeared to be making most of the running after the market's recent declines.

Bank gains included a SFr 105 rise to SFr 2,160 for Swiss Volksbank and an advance of SFr 40 to SFr 3,120 for Crédit Suisse.

Amsterdam again came under pressure from dollar concerns which offset Wall Street's recent strength and took share prices generally lower.

Largest falls were for internationals Royal Dutch and Unilever, which rose strongly earlier this week on overseas buying. Royal Dutch lost Fl 4.30 to Fl 244.70 and Unilever Fl 4.50 to Fl 586. Akzo dropped Fl 2.40 to Fl 141.

Construction group Bredero was suspended from trading when the group postponed publication of its 1986 results; on Tuesday the share price plunged Fl 10 to Fl 58 amid reports of heavy losses. After trading, Bredero said its financiers had ordered an investigation into its prospects and financing needs.

Brussels was off its recent highs in thin trading and profit-taking. Attention was mainly focused on gold shares, which jumped on the higher bullion price and a rise in the South African rand.

Stockholm pursued its recovery in heavy trading, with share prices creeping closer to the record levels of last November on good company results and a growing belief that the market has been undervalued recently.

Milan was also higher on optimism about corporate performance which managed to outweigh the uncertainties over the political situation.

Oslo and Madrid were both easier.

LONDON

THE UK securities markets weakened as a dip in the value of the pound pulled down the level of foreign buying.

The FT-SE 100 index closed 13.3 down to 2,042.5 while the FT Ordinary index was 2.2 off at 1,623.0. Equities started strongly but fell sharply later as oils turned downwards.

Government bonds ended with losses of up to a ¼ point. Details, Page 44

SOUTH AFRICA

THE SHARP rise in the bullion price gave a strong boost to gold and other stocks in Johannesburg despite the usually depressing effect of a firmer financial rand.

Leading golds saw Vaal Reefs up R16 at R375, Randfontein R20 higher at R440, Driefontein ahead by R3.25 at R73 and Buffelsfontein gaining R3 to R81.

Among rising mining financials, Anglo American put on R1 to R68.50 and Gold Fields added R1.75 to R59.75.

Elsewhere in the mining sector, De Beers advanced R1 to R41.35 and Rustenburg Plantinum 38 cents at R46.

The industrial sector was similarly buoyant as Barlow Rand put on R1 to R22.25 and Sasol 10 cents to R10.55.

ASIA

Construction, AIDS issues feed late rally

TOKYO

LATE rallies in stocks related to AIDS and public works spending managed to lift Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei average improved a moderate 37.67 to 21,472.97 after plunging 145 points at one stage. Volume weakened from the previous day's 1.86bn to 1.40bn shares. Declines led advances by 499 to 379, with 145 issues unchanged.

The market opened firmer on bargain-hunting sparked by the continued firmness on Wall Street overnight. The early rally was led mainly by large-capital issues.

But persistent anxiety over high prices, and a further spurt of the yen against the dollar later forced a wide range of equities down. Towards the close, speculative buying of stocks linked to AIDS, and public works projects, pushed the index higher.

Large-capital steels and shipbuildings eased after sharp gains on Tuesday, with institutions holding off ahead of today's settlement of accounts for March trading. Nippon Steel remained the most active with 189.19m shares traded, down from the previous day's 369.30m. Its price slumped Y2 to Y378 after gaining Y3 at one stage.

Nippon Kokan, second busiest with 133.16m shares, shed Y4 to Y296, Nisshin Steel Y15 toY310, Sumitomo Metal Industries Y14 to Y385 and Japan Steel Works Y35 to Y462.

Superconductor-related issues, main gainers on Tuesday, slipped almost across the board: Mitsubishi Metal went down Y38 to Y725 and Fuji Electric Y18 to Y582.

AIDS-linked stocks rallied strongly on the prevalent view that Sumitomo Chemical and Ajinomoto, the sector's two major issues, had hit bottom in a correction of their recent sharp gains. Sumitomo and Ajinomoto had dropped 21 and 20 per cent respectively on Tuesday from their highs for this year.

Sumitomo Chemical surged Y80 to Y890 on a large volume of 15.57m shares and Ajinomoto Y300 to Y3,480.

The firmness of these issues pushed up other AIDS-related stocks, with Nisshin Food Products soaring a maximum Y500 to Y4,270, Yamanouchi Pharmaceutical Y120 to Y4,120, Okamoto Y60 to Y1,690 and Morinaga Milk Industry Y35 to Y858.

Conversely, Takeda Chemical went down Y20 to Y2,990 and Dainippon Pharmaceutical Y120 to Y3,200.

Bonds moved widely after opening stronger on continued buying by the big four securities companies. Investors and dealers emerged as sellers in late trading on rumours that Middle East oil producing countries had agreed to cut crude oil production.

The yield on the benchmark 5.1 per cent government debt paper due in June 1996 plunged from Tuesday's 4.400 close to 4.270 per cent, but later rebounded to 4.410 per cent. Then it hovered around 4.350 per cent.

AUSTRALIA

DRAMATIC GAINS among gold stocks and steady foreign buying boosted Sydney to its fifth consecutive record as the All Ordinaries jumped 15.1 to a peak 1,678.5. The All Industrials firmed 8.6 to 2,368.8. Turnover was high at 185m shares worth A$330m.

An overnight upturn in New York gold prices prompted early demand for local gold issues. BHP Gold Mines rights were active with 7.8m changing hands and firming 1 cent to A$1.24.

Elders IXL and Bell Resources, both of which hold stakes in BHP were actively higher, with the former 16 cents up at A$5.44 and the latter 6 cents ahead at A$5.48.

Western Mining, particularly active with 2.1m shares turned over, closed 24 cents up at A$7.44.

Oils continued to find support with Santos rising 22 cents to A$4.80.

HONG KONG

LATE PROFIT-TAKING developed in Hong Kong and eroded sharp early gains in the Hang Seng index which finished the day 3.43 higher at 2,831.50. Turnover improved to HK$1.18bn from Tuesday's HK$940m.

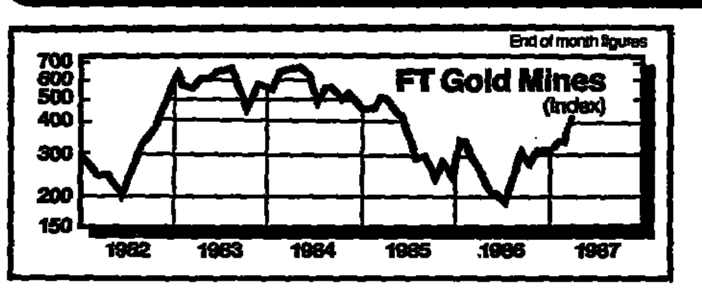
Sentiment was weakened by broker reports that two leading companies, Swire Pacific and HK-TVB, would release disappointing figures for the year. Swire retreated 30 cents to HK$23.50 in busy trading while HK-TVB finished 20 cents cheaper at HK$13.20.

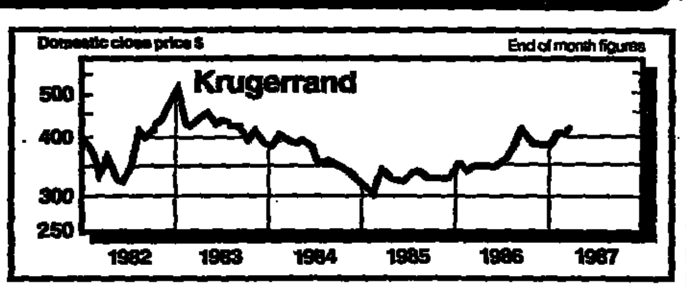
SINGAPORE

NEW FOUND confidence surfaced in Singapore as the Straits Times industrial index jumped 22.14 to 1,079.90, just below its peak. Volume improved to 32m shares from Tuesday's 26m.

United Motor Works was most active with 2m shares changing hands. It gained 3½ cents to 77½ cents. Sime Darby, also busy with 1.03m shares traded, surged 18 cents to S$2.77 while Multi-Purpose was 5½ cents up at 81 cents on 955,000 shares.

KEY MARKET MONITORS





STOCK MARKET INDICES

	Mar 25	Previous	Year ago
NEW YORK			
DJ Industrials	2,363.49	2,367.05	1,778.50
DJ Transport	949.61	950.82	803.61
DJ Utilities	220.06	221.44	187.73
S&P Comp.	300.38	300.81	234.72
LONDON FT			
Ord	1,623.0	1,625.7	1,380.4
SE 100	2,042.9	2,084.5	1,633.8
A All-share	1,021.72	1,026.58	811.39
A 500	1,141.46	1,146.72	890.38
Gold mines	412.4	366.6	291.9
A Long gilt	8.98	8.86	8.92
TOKYO			
Nikkei	21,472.97	21,435.3	14,828.9
Tokyo SE	1,860.16	1,860.72	1,183.06
AUSTRALIA			
All Ord.	1,679.0	1,663.8	1,169.0
Metals & Mins.	860.7	839.6	596.7
AUSTRIA			
Credit Aktien	200.99	201.02	232.76
BELGIAN SE	4,543.82	4,551.25	3,451.04
CANADA			
Toronto			
Met.& Mins.	2,674.5	2,656.2	2,376.00
Composite	3,828.5	3,836.1	3,012.0
Montreal			
Portfolio	1,916.12	1,919.1	1,558.84
DENMARK SE	—	199.57	242.76
FRANCE			
CAC Gen	459.20	457.80	353.4
Ind. Tendance	117.10	116.70	98.2
WEST GERMANY			
FAZ-Aktien	562.80	565.99	675.86
Commerzbank	1,700.50	1,690.30	2,048.2
HONG KONG Hang Seng	2,831.50	2,828.07	1,626.71
ITALY Banca Comm.	720.12	714.92	653.56
NETHERLANDS ANP CBS			
Gen	279.80	280.80	280.4
Ind	254.70	255.40	248.6
NORWAY Oslo SE	418.58	419.19	354.62
SINGAPORE Straits Times	1,079.90	1,057.76	600.66
SOUTH AFRICA JSE			
Golds	—	1,676.00	1,290.3
Industrials	—	1,692.00	1,163.9
SPAIN Madrid SE	225.02	225.95	154.89
SWEDEN J & P	2,575.44	2,558.44	2,076.44
SWITZERLAND Swiss Bank Ind	591.50	585.10	581.0
WORLD MS Cap. Int'l March 24	437.0	434.4	298.2

COMMODITIES (London)

	March 25	Prev
Silver (spot)	388.65p	382.65p
Copper (cash)	£926.50	£943.00
Coffee (September)	£1,285.00	£1,305.00
Oil (Brent)	$18.425	$18.375

GOLD ($/oz)

	March 25	Prev
London	$413.75	$408.75
Zürich	$413.65	$409.30
Paris (fixing)	$417.78	$412.09
Luxembourg	$413.50	$410.75
New York (April)	$413.30	$414.10

CURRENCIES (London)

	US DOLLAR Mar 25	US DOLLAR Previous	STERLING Mar 25	STERLING Previous
$	–	–	1.6070	1.6115
DM	1.8265	1.8215	2.935	2.935
Yen	149.10	149.25	239.5	240.5
FFr	6.075	6.055	9.7625	9.7725
SFr	1.5240	1.5220	2.45	2.4525
Fl	2.0625	2.0585	3.315	3.3175
Lira	1,299	1,297	2,087.5	2,090
BFr	37.85	37.65	60.85	60.65
C$	1.3110	1.3070	2.1070	2.1055

INTEREST RATES

	Mar 25	Prev
Euro-currencies (3-month offered rate)		
£	9¹¹⁄₁₆	9¾
SFr	4	3¹⁵⁄₁₆
DM	4	4
FFr	8⅛	8⅛
FT London Interbank fixing (offered rate)		
3-month US$	6½	6⁹⁄₁₆
6-month US$	6½	6⁹⁄₁₆
US Fed Funds	6¼*	6⁵⁄₁₆
US3-month CDs	6.05*	6.375
US3-month T-bills	5.585*	5.78

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
US Treasury Bonds (CBT) 8% 32nds of 100%				
June	100-07	100-12	100-04	100-08
US Treasury Bills (IMM) $1m points of 100%				
June	94.39	94.42	94.38	94.38
Certificates of Deposit (IMM) $1m points of 100%				
March	–	–	–	93.57
LONDON				
Three-month Eurodollar $1m points of 100%				
June	93.48	93.48	93.44	93.45
20-year National Gilt £50,000 32nds of 100%				
March	125-10	126-04	125-27	125-16

US BONDS

Treasury

	March 24 Price	March 24 Yield	Prev Price	Prev Yield
6⅝ 1989	99²⁷⁄₃₂	6.46	99²⁹⁄₃₂	6.438
7⅛ 1993	99¹⁵⁄₃₂	7.07	99¹⁹⁄₃₂	7.064
7¼ 1996	990²⁷⁄₃₂	7.251	100	7.246
7½ 2016	99⅝₂	7.578	99⅝	7.57

Source: Harris Trust Savings Bank

Treasury Index

Maturity (years)	March 25 Return Index	Day's change	Yield	Day's change
1–30	163.17	+0.23	6.93	–0.03
1–10	154.63	+0.12	6.66	–0.03
1– 3	144.03	+0.07	6.37	–0.03
3– 5	157.57	+0.17	6.71	–0.03
15–30	193.58	+0.59	7.78	–0.03

Source: Merrill Lynch

Corporate

	March 25 Price	March 25 Yield	Prev Price	Prev Yield
AT & T 3⅞ July 1990	94.062	5.90	94.06	5.90
SCBT South Central 10⅞ Jan 1993	105.125	9.73	105.125	9.73
Phibro Sal 8 April 1996	99.50	8.08	99.50	8.08
TRW 8⅞ March 1996	103.50	8.19	103.5	8.19
Arco 9⅞ March 2016	112.75	8.67	112.125	8.72
General Motors 8⅛ April 2016	94.0	8.70	94.125	8.68
Citicorp 9⅜ March 2016	101.0	9.27	100.875	9.28

Source: Salomon Brothers

* Latest available figures